

DATE

US SENATOR
US CONGRESSIONAL REPRESENTATIVE
Address line 1
Address line 2
City, State Zip

Dear

American industry is poised to create the lasting, high-paying jobs our nation so desperately needs. These jobs will result only if S.1733 and associated regulations balance their domestic economic impact with their intended environmental benefits. American manufacturing already adheres to some of the world's most stringent environment standards, thereby making it one of the cleanest. If pending legislation is passed as currently written, American jobs will be lost, and, ultimately, worldwide carbon emissions will increase as manufacturing migrates to areas of the world whose environmental standards are not as high as our own.

Provisions of S.1733 should not focus solely on reducing energy consumption without the appropriate recognition of the energy impact of productivity improvement. New energy-efficient technologies have the ability to improve the productivity of a manufacturing process, thereby using less energy per widget, or reducing the **energy intensity**. The implementation of a technology improvement could result in increased product demand, leading to increased production, which results in increased energy consumption. When the focus is solely on reduction of energy usage, a manufacturer may be prevented from deploying a technological improvement, with lost opportunities for increased economic activity and employment.

Furthermore, if legislation blindly states that a "baseline" of energy usage must not be exceeded and must even be reduced over time, manufacturers will be forced to migrate to overseas locations in order to expand, with the subsequent loss of U.S. jobs. Surely the U.S. Congress cannot consider this to be sound economic policy.

Finally, I urge you to consider the incorporation of language in S.1733 that encourages the reduction of "Energy Intensity (EI)" versus simplistic "reductions in energy." Language in the proposed House legislation defines EI as the cost of energy divided by the value of shipments. This seems to misstate the concept of EI. As proposed, this formula ignores the fact that the cost of energy constantly fluctuates and may rise as a result of the enactment of the legislation itself. Businesses will, through no fault of their own, be penalized when energy prices rise – causing an artificial increase in EI not related to productivity. Consequently, if this definition is not altered,

businesses should be given allowances to recover from the penalties incurred through the effect of energy cost increases on EI measurement.

As a member of the manufacturing community, I am concerned about our nation's economy, the world's environment and the need to reduce our dependence on foreign energy resources. Collective and coordinated action on these issues is essential to ensure that S.1733 finds the proper balance and will be a positive impetus to the U.S. economy and manufacturing job creation.

Sincerely,

Signature Block