

# What EPA Overregulation Means for U.S. Manufacturing

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Manufacturers, already pinned down by rising production costs and competition from other countries, continue to struggle against an old adversary... Washington, specifically the Environmental Protection Agency (EPA). The EPA has instituted tough rules and regulations on U.S. businesses, leading many in the industry to believe that compliance is not only futile, but may lead to closures of many facilities.

Survivability in the manufacturing industry is at an all-time high, but still faces some roadblocks. An independent [review](#) [1] of EPA regulations examines the disparity between EPA projections and the industry's more realistic concerns about future profits, job loss and taxes. We'll take a look at some of these standards, which industries are most affected, how businesses are evolving, and where they see their futures within these constraints.

## EPA STANDARDS

### Coal Combustion Residuals:

Falling under the Resource Conservation and Recovery Act (RCRA), these rules would regulate coal ash disposal by electric utilities and power plants. Recent attempts by the [Obama](#) [2] administration to curb emissions from the 1,500 coal plants in the United States could ultimately lead to hundreds of them being retired permanently. A short-sighted plan to cut the nation's electric supply prior to having an alternative plan may easily lead to shortages, higher electric prices and bills, and [power outages](#) [3] country-wide. Coal supplies approximately 40% of our electricity, while "green" processes like wind (3.46 percent) and solar (0.11 percent) simply aren't feasible at this point.

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## Cooling Water Intake Structures:

Part of the Clean Water Act with an expected rule finalization of April 17, 2014, this act requires that water intakes reflect the best technology for design, construction, and location. The measure is aimed at reducing the amount of fish and shellfish being killed by the cooling intakes' heat or cleaning chemicals, but this targets industrial facilities that use large amounts of water from lakes, ponds, and rivers.

## Cross-State Air Pollution Rule (CSAPR):

The National Ambient Air Quality Standards (NAAQS) includes this requirement to limit fine particle pollution, created by power plants, from crossing state lines. Admitted in the rule, however, is the uncertainty of electricity price fluctuations state-wide that may come from this rule being implemented.

## AFFECTED INDUSTRIES

### Manufacturing:

Virtually all segments of the manufacturing industry are affected in some way by these regulations. Chemical manufacturing plants (acids, solvents, and solid wastes), food processing plants (boilers, incinerators, pesticides), metal fabricators (corrosives and packaging wastes), pharmaceutical production lines (solid waste and water runoff from production), printing facilities (misused ink and lithographic cleaners), and power plants are just some of the bigger components of manufacturing that believe the upfront costs of compliance and loss of jobs will far outweigh the benefits of stricter emissions standards. From the cologne you wear, to the food you eat, to the medicine you take, virtually every facet of daily life comes from these industries. Mandatory compliance to rigorous EPA rules will mean higher prices that will get passed down to the consumer.

## COPING AND EVOLVING

### Changes:

Many required changes to meet the EPA's benchmarks include immediate costs to retrofit existing machinery, update waste management systems, and train all employees. The National Association of Manufacturers (NAM) has [reported](#) [4] "Both the EPA and industry estimate that the cumulative impact of the proposed regulations could cost roughly \$100 billion annually. In a worst-case scenario, the regulations could mean the loss of \$630 billion, 4.2 percent of GDP and from 2 million to as much as 9 million jobs."

### Inhibiting future growth:

By creating these standards at a time when the US is mired in a sluggish economy with a 6.6 percent unemployment rate, companies can't afford higher costs and don't need additional reasons to cut staff.

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NAM President Jay Timmons stated that “In the past 30 years, more than 2,000 regulations have been imposed on manufacturers. It is already 20 percent more expensive to manufacture in the United States compared to our largest trading partners, and more regulations from Washington are only digging the hole deeper.”

### What this means

Manufacturers are pushing back, both with court cases and meetings with the EPA. The energy sector feels especially compelled to draw the line on these regulations before they get out of hand. Closing certain manufacturing plants, and limiting the production at others, will lead to interruptions in service for all industries that depend on a constant source of electric supply to function on a daily basis. At a time when this country is nearing [energy independence](#) [5], limiting resources and stifling growth by bleeding regulatory confusion kills the competitive advantage the US currently has.

There is a general consensus among industry leaders that EPA regulations are simply too harsh. While created with good intentions, these rules cannot reasonably be fulfilled in the timeframe and cost structure required. The greatest concern, however, is the fear of the unknown. This is why manufacturing and industry leaders see the vital need to fight this battle now. What other regulations will come in the future if they don't?

### About the Author

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*Wayne has worked as the SEO Specialist for Energy Curtailment Specialists since 2012. Holding degrees in Printing and Graphic Design, he spent the previous 14 years at a yellow page publishing company. Wayne's writing interests include coal, natural gas, oil, and new products. In his free time, he enjoys hockey, Canadian music, Scotch, and spending every second he can get with his 3 year old son.*

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[1] <http://www.nam.org/%7E/media/423A1826BF0747258F22BB9C68E31F8F.ashx>

[2] <http://www.yourenergyblog.com/supreme-court-to-hear-challenge-of-obamas-epa/>

[3] <http://www.ecsgrid.com/demand-response-programs/what-is-demand-response-and-how-does-it-work>

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