

Keith McCoy

Vice President

Energy & Resources Policy

November 5, 2009

Dear Representative:

The National Association of Manufacturers (NAM), the nation's largest industrial trade association representing small and large manufacturers in every industrial sector and in all 50 states, urges you to oppose H.R. 2868, the Chemical Facility Anti-terrorism Act of 2009, due to its language mandating certain chemical companies implement "inherently safer technology" (IST).

The chemical industry plays a critical role in this nation's manufacturing economy, with more than 55 percent of manufacturers having significant, direct dependence on chemicals for production. Chemical companies view security as their number one priority and have invested more than \$8 billion in security enhancements to implement the Chemical Facility Anti-terrorism Standards (CFATS). Enacted in 2006, CFATS has provided a set of meaningful, risk-based standards for the entire industry. NAM supports allowing the CFATS to continue so as not to impose overlapping and conflicting security requirements, weaken infrastructure protection or harm economic security.

While H.R. 2868 reflects some of the important security measures that will continue to be implemented under CFATS, manufacturers oppose the approval of any IST language that would give the Department of Homeland Security authority to mandate manufacturing processes or substance changes without any regard for security improvements, practicality, availability or cost. The numerous improvements that manufacturers have made render this language unnecessary. Such changes would be devastating to the chemical industry, the impact of which would be felt by their customers, including thousands of small and medium manufacturers that use chemicals in their production processes or those that rely on goods manufactured with chemicals.

The paper industry estimates that converting a single facility to a new bleaching process to comply with IST could cost up to \$200 million and increase energy demand by 32,000MWh/year. Additionally, the refining industry has determined that a mandate to switch from hydrofluoric acid to sulfuric acid, which can be just as dangerous in a terrorist scenario and requires roughly 250 times more acid to achieve the same results, would cost between \$45 and \$150 million per refinery with an increase in operating costs between 200 and 400 percent. This devastating impact could also be felt by families, as their energy costs will inevitably rise.

As this nation struggles through the recession, it is imperative that we do not delay our economic recovery by imposing expensive and unsustainable new mandates that will cost jobs and provide no guarantee of safety or security improvement.

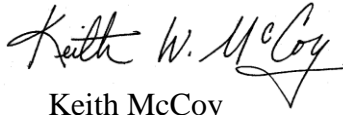
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The NAM supports legislation that would remove the sunset date and make chemical security regulations permanent, but we strongly oppose imposing unnecessary mandates or overhauling the program until it has been fully implemented and evaluated.

On behalf of the manufacturing sector and its 12,700,000 American employees, I urge you to oppose H.R. 2868 and the implementation of practices that would mandate process changes that do not result in an increase in security and would impede economic growth and jobs. Thank you for your leadership on this very important issue for the manufacturing and broader U.S. economy, the NAM looks forward to working with you as this issue moves forward.

Sincerely,

A handwritten signature in black ink that reads "Keith W. McCoy". The signature is written in a cursive style with a large, stylized "C" at the end.

Keith McCoy

KM/ab
cc: