LOUISIANA ECONOMIC DEVELOPMENT

Bobby Jindal
Governor

Stephen Moret
Secretary

December 28, 2009

Ms. Lisa Jackson, Administrator
United States Environmental Protection Agency
Ariel Rios Building, Mail Code: 1101A
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re: Regulation of Greenhouse Gases (Docket ID No. EPA-HQ-OAR-2009-0517)

Dear Administrator Jackson:

The Louisiana Department of Economic Development (LED) strongly objects to the Environmental Protection Agency's (EPA's) decision to move forward with the regulation of greenhouse gases (GHGs) through administrative policy rather than through constitutional means of amending the Clean Air Act (CAA) through legislation.

There is a significant risk that adoption of a new industrial GHG control policy by the U.S., without similar commitments from other countries, could result in severe economic harm to our state and our country without materially reducing global GHG emissions. Moreover, in the case of new industrial facilities, such a policy could hurt both our economy and global climate change because it would encourage large manufacturing operations to be developed in countries that have lower environmental standards than the U.S.

The threat of unilateral U.S. policymaking on GHG regulation already has held up billions of dollars of potential business investment in our state as companies fear both the huge costs and policy uncertainty associated with GHG regulation. This could not be happening at a worse time, as our industrial construction sector already is under severe strain as a result of the national recession and tight credit markets. At the very time that we most need companies to be kicking off large new industrial construction projects, many larger firms are keeping their capital "on the sidelines" as they evaluate the impact GHG regulation could have on their business plans.

Creating GHG legislation in the U.S. without the imposition of comparable standards in other countries definitely would shift significant new manufacturing operations from the U.S. (and Louisiana) to other countries while not providing meaningful environmental benefits to Louisiana, the U.S., or the global community. Quite the contrary, the environmental impact associated with the transplanted facilities likely would be worse because of the lower environmental standards held by other countries.

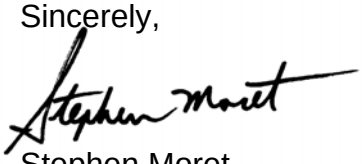
The issue of global climate change resulting from the emissions of GHGs should be addressed through comprehensive federal legislation, full public debate, and U.S. political consensus, rather than through unilateral agency policy under the auspices of the EPA. Moreover, the U.S. needs to carefully weigh the highly uncertain benefits of unilateral regulation of GHGs against an accounting of the very high economic costs of compliance. Careful consideration should be given to the economic impact on states and on small businesses, which have been particularly hard hit by the recession.

Even if regulation is focused on large industrial sources, small businesses would be severely impacted by the loss of sales associated with large industrial projects that are developed outside the U.S. due to GHG regulations. These billions of dollars in lost sales for small businesses will be exponentially larger in their impact than EPA's estimates of permitting costs for small businesses associated with GHG regulation.

Louisiana's economy has significantly outperformed the nation since the beginning of the national recession, yet we haven't been immune from the national slowdown. Our economy would be doing even better if the prospect of unilateral GHG regulation was not holding back new investment in our state and around the country. This detrimental effect on business investment and jobs will only worsen if EPA continues on its current path relative to GHG regulation.

In summary, we are gravely concerned that EPA's recent action on GHG has not adequately considered the disproportionate economic impact on important industries and small businesses in Louisiana, and we believe EPA action should carefully consider the consequences of unilateral GHG regulation by the U.S.

Sincerely,



Stephen Moret
Secretary