

Charles Crain
Managing Vice President,
Policy

June 11, 2025

The Honorable Morgan Griffith
Chairman
Subcommittee on Environment
Committee on Energy and Commerce
2125 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

The Honorable Paul Tonko
Ranking Member
Subcommittee on Environment
Committee on Energy and Commerce
2125 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Griffith and Ranking Member Tonko:

The National Association of Manufacturers appreciates the opportunity to submit information for the record ahead of the upcoming hearing of the Subcommittee on Environment, titled “Short-Circuiting Progress: How the Clean Air Act Impacts Building Necessary Infrastructure and Onshoring American Innovation.”

The NAM is the largest manufacturing association in the United States, representing manufacturers of all sizes across all 50 states and in every industrial sector. Manufacturing contributes \$2.94 trillion to the U.S. economy annually. It employs nearly 13 million people in the U.S., who earn on average almost \$103,000 (i.e., 18.5% more than in all private nonfarm industries). The NAM advocates for a policy agenda that helps manufacturers compete in the global economy and create jobs across the United States—because when manufacturing wins, America wins.

Critical to the success of manufacturing in America is its ability to remain internationally competitive by continuing to transform itself through digitalization (i.e., the integration of advanced digital technologies into all aspects of the manufacturing process to improve efficiency, quality and flexibility). Artificial intelligence in particular has become integral to modern manufacturing, as it increasingly transforms and supports a multitude of aspects of manufacturing, from product design to shop floor operations to supply chain management. The NAM has found that 51% of manufacturers already use AI in their operations, 60% expect to deploy it in their operations by 2027 and 80% say it will be essential to maintain or grow their business by 2030.¹ To access AI systems and monitor and conduct their core business operations, manufacturers are increasingly dependent on a robust network of cutting-edge data centers. The impact of the Clean Air Act on data center operations is thus of great importance to manufacturers.

Manufacturers are innovators. The industry performs 53% of all private-sector research and development in the nation, driving more innovation than any other sector. R&D spending in the manufacturing sector reached a record \$404.8 billion in 2023. These investments have led to new medicines, new products and new materials that help make our world healthier and our country more secure. Thanks to technologies developed by manufacturers, our nation’s air

¹ “Innovating to Win: Manufacturers Poised for AI Surge,” National Association of Manufacturers, May 29, 2025, <https://nam.org/wp-content/uploads/securepdfs/2025/05/AI-Policy-One-Page-v2.pdf>.

quality has improved significantly, with a 37% reduction in fine particulate matter since 2000.² Indeed, in analysis conducted by the Environmental Protection Agency, it found that fewer than 20% of PM_{2.5} emissions are from industrial processes or stationary fuel consumption.³ The vast majority of emissions are from sources well outside of manufacturers' control, with wildfires (29%), agricultural and prescribed fires (15%), crops and livestock dust (12%) and dust from paved and unpaved roads (13%) accounting for nearly 70% of emissions.

Unworkable Regulations on Fine Particulate Matter

Despite the technological advancements that have improved air quality and the fact that most emissions are now coming from nonmanufacturing sources, the Biden administration moved forward last year with a stricter regulation that lowered the PM_{2.5} standard from 12 micrograms per cubic meter to 9 µg/m³—a 25% reduction. During the rulemaking process, the Biden administration accepted comments on a proposal that would lower the standard even further, to 8 µg/m³. This would have had devastating effects to the manufacturing industry. In an Oxford Economics study commissioned by the NAM, researchers found that a standard of 8 µg/m³ would result in a loss of \$162.4 billion to \$197.4 billion of economic activity and put 852,100 to 973,900 jobs at risk, both directly from manufacturing and indirectly from supply chain spending.⁴

The Biden EPA pursued this discretionary reconsideration outside of the Clean Air Act's normal five-year review cycle and did not consider the tremendous costs and burdens that will now come with attempting to meet this new standard.

Across the country, there continue to be areas of the U.S. that are in nonattainment with the older 12 µg/m³ PM_{2.5} standard. Yet the Biden EPA was determined to leave those nonattainment areas further behind by pursuing stricter PM_{2.5} standards. By lowering the standard to 9 µg/m³, which is essentially the same as the background levels that naturally occur in the environment across the nation, the Biden EPA was increasing the number of industrial centers and U.S. population hubs that would be placed into nonattainment status. This means that local communities will experience direct negative consequences to their economies because businesses will be unable to obtain the necessary permits to build, grow and develop their facilities and operations.

Questions Surrounding the Ozone NAAQS

Similar to PM_{2.5}, there were previous efforts to lower significantly the National Ambient Air Quality Standards for ground-level ozone, which is the primary component of smog emissions. Ozone is generally a byproduct created by factories, power plants, vegetation, vehicles, volatile chemical products and wildfires.

In 2015, as required by the Clean Air Act, the Obama administration reconsidered the NAAQS for ozone. Ultimately, after several years of litigation and delays in rulemaking, the ozone

² Environmental Protection Agency, Air Quality–National Summary, available at <https://www.epa.gov/air-trends/air-quality-national-summary>.

³ Environmental Protection Agency, Overview of Particulate Matter (PM) Air Quality in the United States (Updated June 29, 2023), available at https://www.epa.gov/system/files/documents/2023-06/PM_2022.pdf.

⁴ Oxford Economics, U.S. Air Quality Standards and the Manufacturing Sector (Apr. 2023), available at https://documents.nam.org/COMM/NAM_Air_Quality_Standards_Analysis_Web_Version.pdf.

NAAQS were set and maintained at 70 parts per billion, down from 75 ppb. Anticipating that the Obama administration was considering a more stringent standard, the NAM conducted a study to project the cost of attaining 65 ppb. The study found that lowering the ozone standard to 65 ppb would reduce U.S. GDP by up to \$140 billion annually from 2017 to 2040. This substantial economic burden would also lead to job losses and the opening of fewer new manufacturing facilities.

These two cases (the recent lowering of the PM2.5 standard and the protracted and costly process for setting and maintaining the ozone standard) speak to the larger systemic issues that have been made apparent with the overall NAAQS regime. The NAM commends the Energy and Commerce Committee for putting forth draft legislation that makes commonsense reforms to the processes for establishing, implementing, revising and reconsidering NAAQS.

Critical Legislation to Promote Manufacturing Growth

I. The Clean Air and Economic Advancement Reform (CLEAR) Act

The CLEAR Act makes several reforms to the NAAQS process that would make it more workable to manufacturers while still maintaining the regulatory guardrails that protect the health and welfare of our local communities.

The discussion draft would require a review of the individual NAAQS every 10 years instead of the current five, ensuring that states have adequate time to prepare and submit their implementation plans without fear of the EPA moving the goal posts. Given the heavy burden that is placed on states to comply with ever-changing EPA regulations, it is also welcome to see the discussion draft elevates their voices during the rulemaking process by adding state representation on the Clean Air Scientific Advisory Committee.

This legislation would also ensure that information critical to a well-rounded review and reconsideration process is considered. It would ensure that the economic and energy effects of a rule are considered along with important public health considerations. Finally, the CLEAR Act would ensure emissions from prescribed burns, which are used to mitigate wildfire risks, and exceptional events are excluded properly from influencing the air monitoring data that determines whether an area meets the NAAQS.

II. The Clean Air and Building Infrastructure Improvement Act

The Clean Air and Building Infrastructure Improvement Act seeks to inject clearer guidance into the process for obtaining preconstruction permits and meeting compliance requirements under a revised NAAQS. Specifically, it would require the EPA to publish implementation guidance alongside a revised NAAQS, ensuring manufacturers have a blueprint for complying with the regulations while avoiding permitting roadblocks. It also maintains the requirement that manufacturers install the best available control technology and the lowest achievable emission rate technology to obtain a preconstruction permit.

These reforms are necessary to protect manufacturers from future attempts to abuse the NAAQS and place regulatory limits on economic growth.

* * * *

Manufacturers in America create family-supporting jobs in communities across the country, drive innovation, power economic growth and develop and deploy technologies to make our environment cleaner. The Trump administration and this Congress have made it clear that new policies are needed to ensure the United States becomes the destination of choice for new manufacturing investment so that our nation can maintain our leadership in creating new technologies and products that make lives better for people around the world.

Manufacturers strongly support the Energy and Commerce Committee's efforts to address policy challenges with the NAAQS and to explore solutions that will pave the way for greater investment in the infrastructure that will allow America to compete in the 21st century.

Sincerely,

A handwritten signature in black ink that reads "Charles F. Crain". The signature is written in a cursive style with a prominent initial "C".

Charles Crain
Managing Vice President, Policy