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ROBERT G. LIBERATORE  
STAFF DIRECTOR

United States Senate  
Democratic Policy Committee

September 15, 1982

POLICY  
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Dear Colleague:

The Committee on Environment and Public Works recently completed work on revisions to the Clean Air Act, and included a new acid precipitation control program. The Committee proposal arbitrarily calls for an 8-million-ton reduction in emissions in a 31-state region, which includes the Northeast, Midwest and Appalachia, despite the fact that acid precipitation is a national phenomenon, and not simply regional in scope.

Several analyses have indicated that most of the burden of achieving the 8-million-ton emission reduction will fall on the Midwestern and Appalachian states. If enacted, this proposal would jeopardize the prospects for future economic recovery and growth for those states.

Unfortunately, the Committee adopted this proposal with only passing consideration of the economic costs and impacts. For example, a recent analysis by ICF, Inc., conservatively estimates that the annualized cost increases in 1995 for electric utilities in the Midwest and Appalachia would be about \$3.0 billion. These costs will fall more heavily on some states than on others. Therefore, consumers in those states could face rate increases as much as 40-50%, according to some estimates. Moreover, higher utility rates could dim the prospects for industrial development and economic growth in the Midwest and Appalachia.

The markets for high-sulfur coal would be devastated, which would throw thousands of miners out of work. Thousands of other jobs which depend upon the coal industry would also be lost. In my state of West Virginia, for example, it is estimated that as many as 15,000 miners could be put out of work, with direct losses to the West Virginia economy as high as \$380 million.

The proposal adopted by the Committee on Environment is based upon the assertion that a reduction of emissions, particularly sulfur dioxide from electric utilities, in one region of the nation (the Midwest and Appalachia) will result in a commensurate reduction in acid deposition in another region (the Northeast). However, based upon the evidence received in testimony before both the Energy and Natural Resources Committee and the Environment and Public Works Committee, there is no agreement within the scientific community that such an

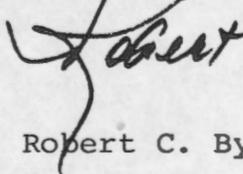
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assertion can be supported by the evidence. I do not think it is good public policy to impose an expensive new regulatory program on one region of the nation with little assurance that the putative benefits will accrue to another region.

We should not act rashly, especially since the scientific evidence suggests that we have time to address this issue in a more deliberate manner. Last January, I introduced the Acid Precipitation Accelerated Review and Reporting Act (S. 2027). This legislation would accelerate the concentrated Federal research effort into the causes and effects of acid deposition. I took this step in an earnest attempt to provide a prudent and reasonable alternative to the Senate on the issue of acid precipitation. Indeed, the entire thrust of my legislation, S. 2027, is to ensure that an adequate scientific basis has been established to guide us in developing and implementing an approach to the problem of acid precipitation which will be both equitable and effective. A number of our colleagues have already agreed that this is a reasonable approach. Thirteen Senators have joined as co-sponsors of S. 2027. I urge you to join us. If you have any questions, please contact Randy Ihara of my staff at 4-3809.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert C. Byrd". The signature is written in dark ink and is positioned above the typed name.

Robert C. Byrd