
AISI expresses disappointment over energy bill passing

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American Iron & Steel Institute has expressed its disappointment over the House passage of the American Clean Energy & Security Act of 2009.

Mr Thomas J Gibson president & CEO of AISI said that "We believe this bill has moved at a rushed pace that has not allowed for full debate of provisions that are critical to the steel industry, which was clearly underscored by the fact that the bill passed in the House by only seven votes. The bill, as passed, will need important modifications as it moves through the Senate."

He added that "We appreciate the hard work of Congressmen Doyle and Inslee and we look forward to continuing our work with them as this legislation moves through the process. However, we can say, with certainty, that if this bill is enacted as it presently stands, US steelmakers and our workers will be at a significant competitive disadvantage in the global marketplace. Several modifications must be made to achieve the bill's stated purpose of avoiding job loss and emission migration to overseas markets."

Mr Gibson said that one area of the bill that needs to be modified relates to recognizing the challenges of energy intensive industries. He added that "With this bill, all forms of energy like coal, natural gas, biomass and electricity have the potential to suffer a dramatic cost increase due to fuel switching, deployment of waste gas capture/regeneration technology, carbon capture and sequestration technology, and wind, solar and other clean energy technologies. Energy intensive industries should be rebated allowances to recover consequential cost increases resulting from this legislation, and not just emissions costs."

He further added that another area of concern in the House bill, Gibson said, is the arbitrary formula used to lower the emissions allowance schedule to energy intensive manufacturers below 15% after beginning in 2015. This deprives energy intensive manufacturers of nearly one billion allowances over the life of the program. He added that energy intensive manufacturers should receive the same emissions allowance schedule that is applied to every other recipient of emission allowances.

(Sourced from AISI)

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