



**TESTIMONY OF GENE BARR  
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PENNSYLVANIA CHAMBER OF BUSINESS AND INDUSTRY**

Chairperson White, Chairman Musto, members of the committee, thank you for the opportunity to comment on the issue of mercury emissions.

The Chamber is the largest broad based business advocacy organization in Pennsylvania representing thousands of members and more than 1.4 million employees throughout the Commonwealth. Our membership includes both energy producers as well as industrial and commercial users of energy.

We are here today to offer our strong support for Senate Bill 1201. We believe this bill would implement a cost-effective way of dealing with the issue of mercury emissions from power plants. The cap and trade provisions of the bill have functioned extremely well in other environmental programs to encourage early emission reductions.

At the same time, we are concerned about the proposal that has been promulgated by the PA Department of Environment Protection to adopt a state-specific program to address mercury emissions.

There are a couple of fundamental points to keep in mind when assessing the impact of the mercury emissions issue. First, roughly one-half of worldwide mercury emissions are from natural sources such as volcanoes, geysers, fissures in the earth etc. Second, U.S. power plants account for just 1% of that worldwide total.

Given the fact that air knows no state boundaries, it is clear that mercury is an issue best dealt with at the national level. The United States has done this and remains the only country in the world that has regulated mercury emissions from power plants.

It is for these and other reasons that we have expressed our opposition to the state-specific mercury emissions reduction plan promulgated by the Department of Environmental Protection. DEP has proposed a plan that would eliminate the 'cap and trade' provisions contained in the federal plan. The state proposal also calls for earlier and steeper cuts in mercury than the federal program despite the fact that both the U.S. Environmental Protection Agency and the U.S. Department of Energy say that technology to reliably reduce mercury emissions at all plants to the levels proposed by

DEP are not yet available and in the words of EPA “are 5-10 years away.” The cost to implement the DEP plan could be as high as \$1 billion dollars in capital costs and another \$180 million in annualized costs.

We are extremely concerned that adoption of such a state-specific plan is likely to increase electric rates for our members and threaten jobs. There are manufacturing facilities here in Pennsylvania where electric costs are as high as 70% of total operating costs. Clearly, increases in electric rates harm the competitiveness of those facilities. Additionally, given that Pennsylvania energy generators function in a competitive market, cost increases placed on Pennsylvania generators that are not placed on generators in other states make Pennsylvania power less competitive in the marketplace and leads to the threat of job losses in the generation industry and the mining industries that supply coal to those facilities.

Further, it is our view that adoption of DEP’s proposal will bring these very real threats to the Commonwealth with little if any commensurate benefit to human health.

The PA Chamber was one of the participants in DEP’s mercury stakeholder process which completed its work earlier this year. This process was a real opportunity to hear from a number of viewpoints and assimilate a large amount of information. However, it is also important to point out that the stakeholder process did not involve a discussion of whether the Department should proceed with a state specific rule. In the end, we believe that the real question was left unanswered, that is, what are the incremental benefits and costs of a state specific program above and beyond the Clean Air Interstate Rule and the Clean Air Mercury Rule.

Given that DEP has not provided a sufficient answer to that question, we believe that Executive Order 1 of 1996 should preclude the Department from moving forward with their regulation. That order states “where federal regulations exist, Pennsylvania’s regulations shall not exceed federal standards unless justified by a compelling and articulable Pennsylvania interest or are required by state law.” Given that no “compelling or articulable” reason exists for these state regulations, they should be withdrawn.

Over recent months, we have heard numerous alarmist claims about the impact of mercury emissions. Some groups have made it appear that there are no controls on mercury emissions when, as already mentioned, the U.S. is the only country in the world that has implemented mercury emission controls on power plants.

Other groups have stated that upwards of 500,000 children in the United States are subject to levels of mercury in their blood high enough to cause brain damage. One release from a group of supporters of a state specific rule claimed that here in the U.S. “over half a million babies are born each year with mercury poisoning.” If that statement is true, it would mean that approximately 19,000 babies are born in Pennsylvania each year in this condition. The diagnosis of ‘mercury poisoning’ requires an objective verification by a health care professional. Research shows that of 6 million

hospitalizations in Pennsylvania during the period 2002-2004 there were just eight hospitalizations for mercury poisoning and not a single one was caused by eating fish.

Proponents have stated that even small amounts of mercury in the blood can have an adverse impact on human health and neurological development. We agree. What these proponents don't say is that there are no confirmed cases in biomedical literature of anyone having a level of mercury in their blood that even approaches the lowest levels that can cause adverse health effects.

One would think that if mercury in fish is the public health "crisis" that certain groups claim it is then people who eat significant amounts of fish should clearly show more adverse health effects and neurological and developmental impairment than those whose diets contain little fish. However, children in Japan, where women of childbearing age eat significantly more fish than U.S. women of childbearing age, consistently outperform our students in many standardized tests.

As further indication that mercury is not the crisis some claim it to be, a study by James Flynn, a professor in New Zealand found that IQ levels have actually increased 22% from 1932-2004.

The real facts on mercury are these. According to the most recent study from the Centers for Disease Control, no man, women, or child had mercury blood levels above what is called the "benchmark dose", the level at which subtle health effects are noted. Below are direct quotes from CDC personnel at the media telebriefing done on July 21, 2005:

"Mercury exposure is particularly important to women of child-bearing age because mercury levels above 58 micrograms are associated with neurodevelopmental effects in the fetus.

Our exposure reports that no women in the survey had mercury levels that approached this concentration but we do see that a small percentage of women, about 5.7% of women had levels within a factor of ten of what has been defined as the health threshold effect"

In addition, here is what the former surgeon general of the U.S. Navy, Dr. Harold Koenig, Vice Admiral (Retired) said: "no U.S. women or children are being exposed to unsafe levels of mercury through fish consumption."

The results of the Seychelles Island study, announced in February of this year, showed that children born to women who ate ten times the amount of fish typically eaten by American women showed no adverse health or development effects attributable to that diet. Researchers gave two possible explanations for their findings; either the amount of mercury consumed from fish "may be just too low to cause problems" or the positive health effects of eating fish more than offset any possible risk posed by the mercury in that fish.

Such a study raises another critical point to keep in mind in this debate. Health professionals, the U.S. Food and Drug Administration, and the American Heart Association all agree that fish consumption is an important part of a healthy diet. In fact, evidence continues to mount that scaring people away from eating fish is a bigger health risk to Americans than whatever minimal risk exists in consuming the mercury in that fish.

Again, the critical issue in this debate is what are the incremental benefits and costs of a state specific program. Spending a significant amount of money on a state specific mercury program with no benefit to human health is simply not good public policy.

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