



# NEWS RELEASE

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## McMaster Joins States Challenging EPA Findings

### *Incorrect Use of Clean Air Act Would Harm S.C. Businesses*

**Columbia** – South Carolina Attorney General Henry McMaster announced today that South Carolina will join with eight other states in challenging the Environmental Protection Agency’s (EPA) recent unilateral decision to regulate greenhouse gases.

The EPA’s finding would allow the agency to regulate these emissions under the Clean Air Act (CAA), and could force South Carolina companies – particularly heavy industry, manufacturing and energy producers – to pay millions of dollars in additional regulatory fees.

“South Carolina’s companies, and indeed, all companies in the United States, are held to a much higher environmental standard than many of their global counterparts and competitors, and the ill-conceived proposal by the EPA *will* cost South Carolina jobs,” McMaster said. “The correct place for these decisions to be made is in the General Assembly and the United States Congress, where representative government can help determine what is best for the American people.”

The EPA has taken the position that when it promulgates greenhouse gas emissions limitations for light duty car and truck engines, greenhouse gases will then become a pollutant that is “subject to regulation” for purposes of applying the CAA’s Prevention of Significant Deterioration (PSD) and Title V permit programs.

The CAA specifies the PSD program applies to sources that emit more than 100 or 250 tons – depending on the type of source – of a regulated air pollutant. Millions of sources emit more CO<sub>2</sub> than the threshold amounts, including small businesses, commercial office buildings, and hospitals. If CO<sub>2</sub> becomes a regulated air pollutant as required by the endangerment finding, states will need to process Title V and PSD permit applications for hundreds of thousands of new sources. No state currently has the resources necessary to accomplish this, and the EPA has not adequately considered the burden on state regulatory authorities in the development of the proposed regulations.

[South Carolina has 271 major source permit holders.](#) Many of these facilities could be impacted by new greenhouse gas emission regulations. Complying with new regulations for greenhouse gas emissions would either cost these companies millions of dollars or potentially move their operations overseas. South Carolina currently has an unemployment rate of 12.6 percent and these new regulations threaten to further increase job losses in an already difficult economy.

“In my [letter to the EPA on December 28, 2009](#), I urged the Administrator to ‘conduct further evaluation of the numerous legal questions surrounding this action, evaluate the impact on state and local permitting authorities in order to ensure that the Unfunded Mandates Reform Act of 2005 is not violated, and allow for increased public comment before moving forward’,” McMaster said.

Economists agree that states will face their most difficult economic situations in the next two years. The EPA ruling would have immediate effects in the cost of energy, fuel, and domestically manufactured goods, sending shockwaves through an already reeling economy.

“At a time when the entire country is struggling mightily to create jobs, adoption of economically destructive regulations cannot be justified,” McMaster added. “In South Carolina, our unemployment rate hit a record of 12.6 percent in January; more than a quarter million South Carolinians are out of work. This regulation would only inflate that number.”

The states currently joined in this effort are: Indiana, Kentucky, Louisiana, Nebraska, North Dakota, Oklahoma, South Carolina, and South Dakota.

S.C. Permit Holders: <http://www.scag.gov/newsroom/pdf/2010/echo.pdf>

McMaster Letter to EPA: <http://www.scag.gov/newsroom/pdf/2010/epaletter.pdf>

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