Gov. Perry Accepts Recommendations from the Texas Advisory Panel on Federal Environmental Regulation

Contemplated EPA regulations could cripple Texas economy

*Note - Gov. Perry frequently departs from prepared remarks.

Tuesday, November 25, 2008

Good morning and thank you all for being here today to discuss a significant potential threat to Texas, one that could run the nation's strongest economy off the rails and into the ditch.

Up here with me today are the members of the Texas Advisory Panel on Federal Environmental Regulations, a group I created at the beginning of this month to get a handle on some regulations that are taking shape at the federal level. I’ll introduce them to you here in a minute, but I’d like to start by providing an overview of where we stand as a state and discuss a serious conflict that is brewing with Washington DC.

As you well know, Texas is the nation's energy leader. We produce more fossil fuels than anyone else, we refine more gasoline than anyone else, and we produce the chemicals that keep businesses moving. The most important byproduct of that activity is can be summed up in three words: jobs for Texans.

As you well know, our nation and the world are in serious economic trouble. However, Texas is doing much better than average as a result of a few key things. First, our economy is very diverse, much more so than when an oil industry crash nearly took us out in the 1980s, and more so than when the Internet bubble burst at the beginning of this decade.

Second, our business climate encourages risk and investment with its low taxes, sensible regulatory environment and a legal system that keeps frivolous lawsuits to a minimum. As a result, we are still the nation's top exporting...
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Despite these tough economic times, our state’s unemployment rate is nearly a full percentage point below the national average. Bottom line, we’re doing a lot of things right in Texas, mostly in spite of Washington DC’s efforts to “help.”

Unfortunately, Washington has Texas in its sights again. The EPA is making plans to re-interpret the Federal Clean Air Act in ways that were never contemplated when this law was passed, ways that will ultimately cripple the Texas economy.

If the EPA moves to include greenhouse gases in the Clean Air Act, it will extend their power into virtually every sector of the economy, having a massively negative effect on each.

At a time when jobs across the country are disappearing and the federal government is throwing hundreds of billions of taxpayer dollars at failing companies, it strikes me as odd that they would be contemplating ways to do more economic harm.

The changes they are contemplating will wrap miles and miles of new red tape around a whole new set of people, including the owners of commercial buildings, churches, small farms, hotels, hospitals, and even large residential homes; choking off innovation and reversing growth.

These changes and their impacts on energy producers will also ratchet up energy prices, which will ultimately make things tougher on employers and families across Texas and the nation.

If the EPA thinks a sweeping government mandate is required to spur the creation and adoption of alternative energy sources, they need to know that the private sector is already making that happen in Texas…helped by incentives from state. As a result, we have installed more wind generation in Texas than any other state and all but three other countries.

Texas is a leader in clean coal research and has more carbon-free nuclear plants under development than any other state. We are also fostering the development of solar generation and other renewable energy technologies through our Emerging Technology Fund and Texas Enterprise Fund. In short, Texas is making great strides in alternative fuels in a way that rewards innovation, creates jobs, and attracts investment.

The methods under consideration by the EPA will punish innovation, cost jobs and drive investment out of Texas and overseas. Make no mistake about it—China, India, and other countries will be more than happy to welcome businesses driven away by these costly regulations. They’ll happily take the jobs and the emissions with them, meaning the federal government will have accomplished nothing at irreparable cost to our economy.

Texas is not pleased with the changes under consideration. I am calling on the EPA to fight the urge to include greenhouse gases in the Clean Air Act. We’d rather they find ways to unleash our economy, not strangle it.