



# The Manufacturers Association

Tel: 315-474-4201  
5788 Widewaters Parkway, Syracuse

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## **S.2992 Kaminsky / A.3876 Englebright Enacts the Climate and Community Protection Act**

The Manufacturers Association, which represents more than 300 companies and business throughout Central and Upstate New York, shares a common goal with our state leaders in reducing greenhouse global gas emissions. However, we are concerned that the Climate and Community Protection Act would unintentionally harm many of our manufacturers, causing these companies to slash good-paying jobs, invest elsewhere out of the state, or even permanently shut down production, if this bill as written is passed and subsequently signed into state law.

Companies mostly impacted by this legislation would be Energy Intensive Trade Exposed (EITE) industries that include, but are not limited to, glass, steel, cement, auto, metal casting, food, pulp and paper, aluminum, plastics, ceramics, and chemicals. Based upon 2018 data from the Bureau of Labor Statistics, New York has over 1,000 different EITEs that employ more than 40,000 workers, who on average earn more than \$70,000 per year. This bill could jeopardize thousands of jobs at EITEs and devastate the local economy, while also placing other companies and jobs that support EITEs at risk.

Should New York State adopt legislation to address climate change, the legislation should contain a commitment to preventing the leakage of greenhouse gas emissions and jobs associated with Energy Intensive Trade Exposed (EITE) facilities to other states and countries, where the result would likely be an overall increase of global greenhouse gas emissions.

Carbon policies that our global competitors are not subject to put energy intensive, trade exposed New York companies at an economic disadvantage. If we are not competitive, there is the real risk of losing jobs in New York to other jurisdictions with weaker standards, ultimately resulting in higher global greenhouse gas emissions. We need to ensure legislation does not increase energy and operational costs, create uncertainty, or compromise the global competitiveness of EITE industries.

***EITEs, and the communities that support them, need a transition period to bridge toward a low carbon economy. This transition is meant to support energy intensive trade exposed industries until a global level playing field is established that enables fair competition. In particular, the amendments would:***

- *Ensure EITE industries have a seat at the table. Any council tasked with the development of a greenhouse gas reduction plan should include a representative of the business community, including representatives of EITE industries that will assist with the development of a climate roadmap.*
  - a. *Require that the workgroup develop anti-leakage policies.*

*b. The EITE working group shall prepare a report to assist New York in the understanding and minimizing the carbon leakage risk and competitiveness impacts of potential carbon policies.*

- Develop a Marginal Abatement Cost (MAC) curve, which plots out the marginal costs of achieving a cumulative level of emissions abatement in order, from the lowest- to highest-cost technology or measure, for different regions of the State.*
- Establish a natural climate solutions working group which shall advise the State on how to reduce greenhouse gas emissions, related to land use and changes in land use; capture and store additional carbon dioxide from the atmosphere in farms, forests and agricultural and wood products; improve resilience and adaptation of ecosystems, and reduce carbon emissions through displacement with biogenic fuels and emissions.*

***We ask that New York State manufacturers have a seat at the table to share their vital input and to help prevent any unintended consequences of this proposed legislation and to help protect jobs.***