**Industrial Energy Consumers of America**
*The Voice of the Industrial Energy Consumers*

1155 15th Street, NW, Suite 500 • Washington, D.C. 20005
Telephone 202-223-1661• Fax 202-530-0659 • www.ieca-us.org

**BEFORE THE**

**UNITED STATES HOUSE OF REPRESENTATIVES**

**COMMITTEE ON SCIENCE AND TECHNOLOGY**

**SUBCOMMITTEE ON ENERGY AND ENVIROMENT**

**TESTIMONY OF**

**PAUL CICIO**

**INDUSTRIAL ENERGY CONSUMERS OF AMERICA**

**REGARDING**

# "PUSHING THE EFFICIENCY ENVELOPE: R&D FOR HIGH-PERFORMANCE BUILDINGS, INDUSTRIES AND CONSUMERS"

**WASHINGTON, DC**
**APRIL 28, 2009**

Chairman Baird, Ranking Member Inglis, my name is Paul Cicio and I am the president of the Industrial Energy Consumers of America. Thank you for the opportunity to testify before you on the Department of Energy, Industrial Technologies Program.

The Industrial Energy Consumers of America is an association of leading manufacturing companies with $510 billion in annual sales and with more than 850,000 employees nationwide. It is an organization created to promote the interests of manufacturing companies for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: plastics, cement, paper, food processing, brick, chemicals, fertilizer, insulation, steel, glass, industrial gases, pharmaceutical, aluminum and brewing.

The manufacturing sector is vital to the economic and security welfare of this country. We provide the largest contribution to GDP at 12 percent, over 60 percent of the exports; employ over 14 million people and nearly a quarter of the worlds manufacturing output.

Mr. Chairman, the speed at which the world around us is changing is accelerating and we face enormous challenges competing for domestic and offshore markets. Unfortunately, it looks like we are losing ground.

From 2000 to 2008 imports are up 29 percent and manufacturing employment fell 22 percent, a loss of 3.8 million high paying jobs. Of great concern is that manufacturing investment in the US as a percent of GDP has been on a decline since the late 1990s. At the same time, significant new capital investment, often with the latest technology has made companies in developing countries top in class competitors. Many of these companies are state owned and are subsidized.

A new competitive concern and/or opportunity - is the upcoming requirements to reduce GHG emissions. This could add substantial costs that our competitors in developing countries will not have to bear.

This brings me to my point. There has never been a time in our history where new technology and best practices is needed more to increase manufacturing competitiveness, reduce energy consumption and GHG emissions than like today.

The Industrial Technologies Program (ITP) mission to improve national energy security, climate, environment and economic competitiveness by transforming the way U.S. industry uses energy is needed more than ever. As noted, US manufacturing seems to be losing competitiveness. Our manufacturing processes are operating at their technical limits which should urgently place a

priority on private public partnerships in research and development like this program.

In talking to various companies and trade associations in advance of this hearing, I feel confident to report to you that the program is on sound ground, well run and creating value for the industrial sector. The only criticism is the lack of federal funding.

The R&D programs by sector, the R&D crosscutting technologies, best practices, the Industrial Assessment Centers and the Save Energy Now Program are all effective and desirable.

The FY 2008 funding of $64 million and the FY 2009 of $62 million is completely insufficient to meet the competitiveness challenges. In comparison, from 1998 to 2001 well over $120 million was spent annually.

Mr. Chairman, given the enormous and growing challenges that we face, we can longer take the manufacturing sector for granted. It is important for this body to understand the enormous value that this sector brings and that it is time to take investing in this sector seriously by vastly expanding this program.

Thank you.