



Pennsylvania Manufacturers' Association

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Comments in Opposition of House Bill 2238

Submitted to:
Pennsylvania House of Representatives
Environmental Resources & Energy Committee

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The Pennsylvania Manufacturers' Association (PMA) opposes House Bill 2238, sponsored by Representative Greg Scott, pertaining to bans on Per- and polyfluoroalkyl substances (PFAS) in products in the commonwealth.

Founded in 1909, PMA is the nonprofit, statewide trade organization representing the manufacturing sector in the state's public policy process. Manufacturing directly employs 550,000 Pennsylvanians on the plant floor, sustaining millions of additional jobs in supporting industries, and generating more than \$100 billion in gross state product. PMA's mission is to improve Pennsylvania's economic competitiveness by advancing pro-growth public policies that reduce the baseline costs of creating and keeping jobs in our commonwealth. Manufacturing is the engine that drives our economy here in Pennsylvania and across the United States, adding the most value and sustaining tens of millions of jobs on our shop floors and in supply chains, distribution networks, and vendor services. Because our sector adds the most value, manufacturing jobs have the highest salaries and best benefits in the marketplace.

We appreciate the opportunity to submit comments to the Pennsylvania House Environmental Resources and Energy Committee regarding House Bill 2238. Pennsylvania must not enact state laws or regulations that place the commonwealth at a competitive disadvantage with our competitor states. Pennsylvania laws and regulations should not be more stringent than federal regulations or laws unless there is a compelling reason that is unique to our commonwealth. Environmental regulations should be adopted based on sound scientific evidence to ensure that they are reasonable and achievable using existing technology. It is prudent that these regulations actually achieve real environmental benefits and do not advantage one sector of the economy to the detriment of another.

A Pennsylvania-specific across-the-board ban on all PFAS manufacturing and use of PFAS component parts in the manufacturing process would be detrimental to many vital industries in our commonwealth. This legislation would put Pennsylvania at a unique disadvantage and would drive entire industries out of state; severely disrupting supply chains and distribution networks for products that have no substitute and are needed to sustain modern society.

American manufacturing is at a crossroads. The same manufacturers that changed their lines to supply personal protective equipment, medical devices, and safety equipment are now finding their stride in response to challenges with excessive inflation and supply chain disruptions. Additional, unrealistic regulations will inhibit our sector from fully bouncing back, leading to fewer U.S. jobs and more products being produced overseas. This unnecessary offshoring would be detrimental to our economy and our environment.

Manufacturing in the U.S. is cleaner and more sustainable than ever thanks largely to a revolution in how we produce, use, and recycle feedstocks and inputs – a transformation that has been spearheaded by innovative manufacturers. Across the board, levels of PFAS have declined dramatically, and the U.S. is outpacing global competitors. According to biomonitoring data in a report released by the Center for Disease Control, blood levels of the most common PFAS, PHOS levels have decreased by 85 percent from 1999-2018. In the same time frame, PFOA

levels have decreased by 70 percent, while PFHxS and PFNA levels have been more than halved.¹

In the case of Pennsylvania-specific PFAS contamination, it was the U.S. Government itself that contaminated the groundwater at the former Naval Air Warfare Center. Of course, that same Federal government has now used regulatory rulemaking to establish legally enforceable limits in water standards specific to six PFAS categories. These Federal rules are extremely strict but will equally impact all fifty states. The impact of these new federal rules should be examined before Pennsylvania proceeds with any state-specific legislation.

The PFAS of today are very different than the PFAS of the 1940's as the manufacturing industry continues to improve and evolve with ever-changing technology. And it's through the use of more than 500 different PFAS that this technological revolution has occurred. In many instances, the responsible use of these products does not have a substitute, and widespread bans would result in dire consequences. In a 2023 report by the Department of Defense report it was stated, "Congress and the Federal regulatory agencies should avoid taking a broad, purely 'structural' approach to restricting or banning PFAS. It is critical that future laws and regulations consider and balance the range of environmental and health risks associated with different individual PFAS, their essentiality to the U.S. economy and society, and the availability of viable alternatives." The report went on to say, "PFAS are critical to DoD mission success and readiness and to many national sectors of critical infrastructure, including information technology, critical manufacturing, health care, renewable energy, and transportation. DoD relies on an innovative, diverse U.S. industrial economy. Most... PFAS are critical to the national security of the United States... Currently, non-PFAS alternatives do not exist for most of these applications, and the likelihood of developing alternatives for these uses is estimated to range from moderate to almost impossible."²

PFAS are an essential component of modern manufacturing. There are necessary PFAS component parts in almost all cellular and telecommunications devices, microchips and semiconductors, medical devices, aerospace equipment, automotive components, pharmaceutical and life science manufacturing, and alternative energy applications.³ Many of these industries are targeted areas of recruitment and growth of the Shapiro Administration and the Department of Community and Economic Development.

Being that Pennsylvania is a legacy manufacturing state, many of the aforementioned industries rely on these critical inputs to create finished goods. Moreover, there are manufacturers of the PFAS feedstock that are equally critical to our delicate supply chains and distribution networks. To understand this better, an economic model can be produced using the industry-standard input-output analysis program, IMPLAN.

IMPLAN is a regional economic analysis software application that is designed to estimate the impact or ripple effect (specifically backward linkages) of a given economic activity within a

¹ <https://www.atsdr.cdc.gov/pfas/health-effects/us-population.html>

² <https://www.acq.osd.mil/eie/eer/ecc/pfas/docs/reports/Report-on-Critical-PFAS-Substance-Uses.pdf>

³ <https://www.americanchemistry.com/chemistry-in-america/chemistries/fluorotechnology-per-and-polyfluoroalkyl-substances-pfas>

specific geographic area through the implementation of its Input-Output model. By using the spending patterns each unique industry deploys, it can predict the indirect and induced jobs in a study area. Indirect jobs and economic effects stem from business-to-business purchases in the supply chain. Induced jobs and economic effects stemming from household spending of labor income, savings, and commuter income.

In this case study, a PFAS manufacturer located in Chester County would no longer be able to operate with passage of this legislation, resulting in the closure of a plant that currently employs 150 workers. In IMPLAN, 150 jobs in the NAICS category of “plastics material and resin manufacturing” were removed from Chester County, with all of the 66 remaining counties in Pennsylvania being impacted as a “multi-region input-output” analysis. The results of this single plant closure would be devastating.

The elimination of 150 direct jobs in “plastics material and resin manufacturing” in Chester County would result in 195 indirect jobs and 145 induced jobs being negatively impacted or also eliminated. The labor income of the 150 direct jobs totals \$23,267,839.33, per year. The total labor income of all 490 impacted jobs totals \$54,792,720.84, per year. The total economic output of the 150 direct jobs totals \$238,314,780.21, per year. The combined economic output of the 490 impacted jobs totals \$371,756,553.82, per year.

The top ten most affected indirect industries are:

Petrochemical manufacturing	\$(10,495,247.82)
Other nondurable goods merchant wholesalers	\$(7,044,458.49)
Management of companies and enterprises	\$(5,228,855.44)
Electric power transmission and distribution	\$(4,407,607.15)
Petroleum refineries	\$(4,096,270.73)
Truck transportation	\$(3,985,126.66)
Other real estate	\$(1,541,714.66)
Plastics material and resin manufacturing	\$(1,535,296.87)
Retail - Nonstore retailers	\$(1,273,845.45)
Wholesale - Petroleum and petroleum products	\$(1,249,464.74)

The top ten most affected induced industries are:

Owner-occupied dwellings	\$(3,628,481.94)
Hospitals	\$(1,342,784.93)
Other financial investment activities	\$(1,135,386.62)
Other real estate	\$(1,060,099.96)
Insurance carriers	\$(833,194.85)
Offices of physicians	\$(816,362.63)
Retail - Nonstore retailers	\$(815,674.96)
Full-service restaurants	\$(630,966.24)
Monetary authorities and depository	\$(594,022.39)
Limited-service restaurants	\$(532,966.90)

This economic model is just one known facility in Pennsylvania that would be impacted. There are hundreds, possibly thousands, of other operations that would be shuttered by this legislation. This one example is truly a microcosm of what would happen to the commonwealth's economy if a wide-sweeping ban on needed industrial inputs were to go into effect.

The United States already has some of the strongest environmental performance standards in the world. As was already stated, PFAS use in the U.S. is in steep decline as American manufacturers find workable substitutes. Issuing stricter, state-specific standards will make new manufacturing here in Pennsylvania impossible. Manufacturing in the United States is cleaner, more efficient, and stabilizes our fragile domestic supply chains. But with unattainable standards as law, we will miss out on the economic and environmental benefits our domestic manufacturers fulfil.

But these needed products will not go away, they will just be made elsewhere. Let's not incentivize manufacturing in China, India, the Philippines, or other locations that do not have the same environmental standards and practices that we have here, domestically. America's manufacturers are a part of the solution, not the problem. Let manufacturers do what they do best: innovate and develop modern technologies that address air quality, reduce emissions, and protect the environment, while investing in the manufacturing workforce and growing the economy.

For these reasons, we respectfully ask you to oppose House Bill 2238.