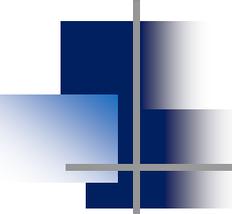


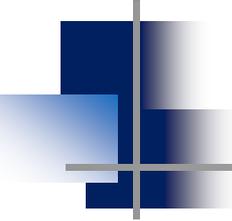
Sustainability Committee Meeting

April 20, 2021



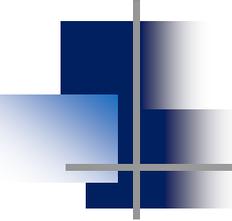
Climate and Sustainability Issues Political Outlook

- Congressional Makeup
- Legislative Outlook
- Executive Actions



Congressional Makeup –cont'd

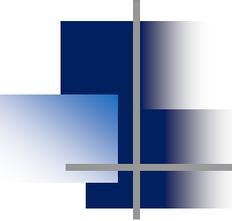
- House of Representatives
 - 222 Democrats
 - 212 Republicans
 - Republicans gained +12 net seats but that wasn't enough to gain the majority
 - 1 vacant seat
 - House Controlled by Democrats



Congressional Makeup

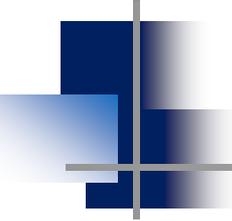
Senate:

- 50 Republicans
- 48 Democrats
- 2 Independents (caucus with Democrats)
50-50 + VP Kamala Harris means the Democrats control the Senate
- But...two Democratic Senators oppose ending filibuster (WV, AZ)



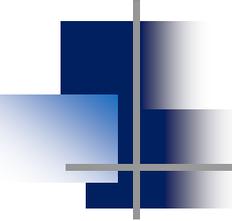
Legislative Outlook

- Senate Filibuster Rule requires 60 votes on most bills and thus prevents passage of major controversial legislation
- Filibuster does not apply to:
 - Advice and consent on judicial or executive appointments
 - Congressional Review Act review of rules
 - Reconciliation bills



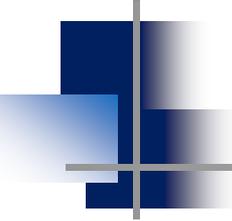
Legislative Outlook cont'd

- Comprehensive climate legislation is unlikely to pass this year or next year
- BUT...The Democrats have expressed their intention to pass 3 “reconciliation” bills in the current Congress
- Reconciliation bills are NOT subject to Senate filibusters and pass by majority vote, but must relate to the budget



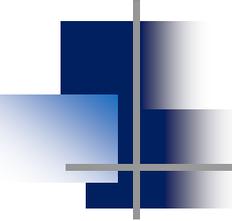
Legislative Outlook –cont'd

- Possible Reconciliation bills:
 - The COVID relief bill (already passed) used reconciliation once
 - Surface transportation (infrastructure)
 - Corporate taxes/Individual tax increases (and will likely include other provisions)



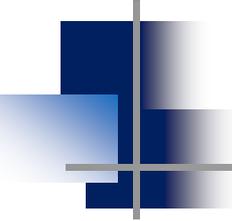
Legislative Outlook –cont'd

- NLA is planning to lobby this year to ensure that our interests are protected even if passage is unlikely because:
 - Climate provisions may be included in lengthy reconciliation bills
 - Climate bills will be the starting point for future legislation even if they don't pass in the current Congress



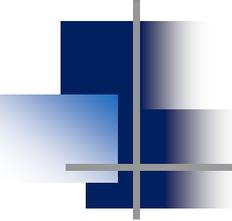
Legislative Outlook -cont'd

- Clean Future Act (H.R. 1512)
 - Sets national goal of 50% GHG reduction below 2005 levels by 2030
 - Requires 100% clean electricity by 2035
 - Environmental Justice provisions
 - Clean Air Act permit blocks if > 100 in one million risk or if $\text{PM } 2.5 > 8 \mu\text{g}/\text{m}^3$. Also impacts permit renewals



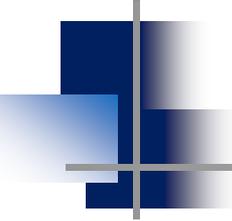
Executive Actions

- Biden Executive Orders
- Treaties
- Regulations
- Policies



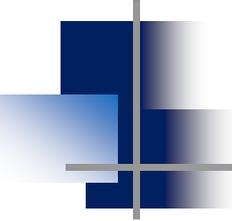
Biden Executive Orders

- *Executive Order on Tackling the Climate Crisis at Home and Abroad (1/27/21)*
 - Net zero emissions by 2050
 - Clean electricity by 2035
 - Rejoin the Paris Treaty
 - Prohibits oil and gas leasing on public lands
 - Promoting Environmental Justice
 - Encourage Renewable Energy



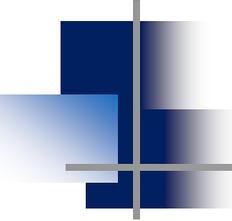
Treaties

- Paris Treaty
 - 50% GHG reductions by 2030
 - Nonbinding but will be cited by agencies
 - Significant pressure to reduce GHGs
- Kigali Amendment
 - Regulates hydrofluorocarbons (HFCs) used in refrigerants



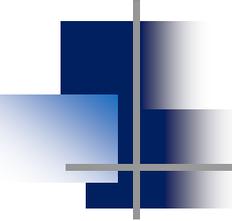
Regulations

- Securities & Exchange Commission
- Social Cost of Carbon
- EPA ACE rule overturned by DC Circuit
- Potential new EPA GHG rules:
 - CAA sector by sector rules
 - NAAQS rule
 - Secondary NAAQS for GHGs
 - Ozone NAAQS that lowers GHGs



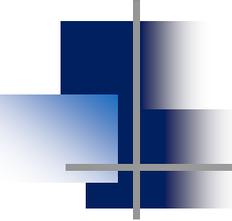
Policies

- Permitting decisions
- Science reviews
- Environmental Justice reviews
- Clean Air Scientific Advisory Committee
- Public lands policies (oil and gas moratorium)



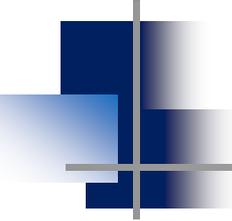
Conclusions

- Climate legislation is unlikely (for now)
- Budget reconciliation will provide two legislative opportunities where some climate provisions could be added
- EPA is evaluating how to address GHG emissions by using its Clean Air Act authority recognized by the Supreme Court in *Massachusetts v. EPA*



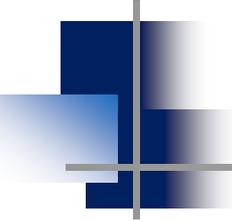
Conclusion--cont'd

- NLA will lobby Congress along with other industry partners to shape legislative proposals
- NLA continues to participate in the EITE Coalition on climate issues
- NLA will continue to engage EPA with our allies to advocate for the lime industry on regulations and policies



Conclusion—cont'd

- NLA will also be collecting new data on GHGs to ensure that we have the most up-to-date information for decision-making
- NLA will soon be issuing a paper on sustainability
- Both of these actions will be discussed today in more detail by Jon D'Ath



Questions and discussion
