



EERE's Industrial Technologies Program: Improving Energy Efficiency and Manufacturing Competitiveness and Reducing Carbon Emissions

Volatile energy prices and supplies in the U.S. are the result of the global supply chain. Economic uncertainty has led to a dramatic drop in manufacturing employment and production. Reducing energy intensity to reduce demand and environmental costs is a policy priority. Improving manufacturing to compete globally and provide needed employment is also a priority. The Industrial Technologies Program of DOE-EERE has a historical track record of providing outstanding contributions to these goals when focused and funded.

The Industrial Technologies Program (ITP) can improve energy efficiency through partnerships in vital high energy-use Materials Manufacturers: aluminum, chemicals, forest products, glass, metal casting, and steel. These industries collectively consume 75% of energy used by U.S. industry (or 25% of total U.S. energy), supply 90% of materials vital to our economy, produce \$1 trillion in annual shipments, directly employ 3 million people, and indirectly provide additional 12 million jobs. ITP has been working with these energy consuming industries for over two decades to develop energy-efficient manufacturing technologies with great success. For example, steel making energy intensity has been reduced 28% since 1990, as reported by the American Iron and Steel Institute. Other sectors have made similar strides. That this track record was achieved during the period ITP was fully funded is not coincidental—and this track record says similar increases can be made over the next two decades, should the program return to 2001 funding levels.

Every federal dollar spent on ITP saves over seven dollars a year in energy costs and saves 1.3 million in annual source BTUs. For each federal dollar invested there is usually at least one dollar of industry money spent. Industry participation and input is crucial. Energy efficiency is the cheapest energy that can be bought by an investment of federal dollars. In one case alone, lightweight car and truck designs based on materials and models developed in this program saved the U.S. consumer 121.9 million barrels of oil and 49.1 million tons of CO₂ in 2004. This saved U.S. consumers \$9.1 billion in gasoline costs based on the average price of \$1.88 per gallon of gasoline in 2004. Unfortunately, at a time of maximum need, the Industrial Technologies Program is being targeted for elimination. Since FY 2001, the budget for ITP has decreased over 50%.

The EERE-ITP program needs focus and funding. AMMEX is encouraged by in the 111th Congress's ostensible interest in restoring this program to its vital role. We are happy to see the current work on authorization and support the direction and expansion of the program, especially the recently introduced Senate Bill 661, the "Restoring America's Manufacturing Leadership through Energy Efficiency Act of 2009." We are also encouraged by the appropriation of \$90 million for ITP research in the FY 2009 Omnibus Bill. We would support expanding the budget for the "core" ITP research and development programs (that is, industrial R&D and technology delivery that have historically been performed by ITP) to fund the needed program at \$225 million.