

Internal/Deliberative Process
EPA REGULATORY REFORM UNDER ADMINISTRATOR PRUITT'S LEADERSHIP
Updated March 16, 2018

OVERVIEW:

- Administrator Pruitt is working to fulfill EPA's core mission of protecting our environment while implementing President Trump's executive orders to reduce unnecessary regulatory burdens, save manufacturing jobs, streamline our permitting processes, and promote American energy independence and rural prosperity.

REGULATORY STATISTICS UNDER THE PREVIOUS ADMINISTRATION:

- According to the White House Office of Management and Budget's (OMB) most recent report to Congress on the Benefits and Costs of Federal Regulations, over the last decade, EPA regulations imposed annual costs of **\$43.2 to 50.9 billion** – more than the cost of all other federal agencies *combined*.
- That same report showed that, over the last decade, EPA issued more major rules¹ than *any* other federal agency.
- According to EPA's internal database, the Agency issued 20 deregulatory actions from 2009 to 2017.

REDUCING UNNECESSARY REGULATORY BURDEN UNDER ADMINISTRATOR PRUITT:

- In accordance with E.O. 13771, for Fiscal Year 2017, EPA finalized at least 2 deregulatory actions for each new regulatory action. Additionally, EPA rules imposed no new net costs. EPA expects to impose no additional net costs in Fiscal Year 2018 as well.
- Under Administrator Pruitt's leadership, EPA has finalized **24 deregulatory actions** that saved the American people more than **\$1 billion** in regulatory costs.
- EPA has also initiated work on an additional 42 deregulatory actions.

OTHER REGULATORY REFORM MEASURES:

- Issued an Agency-wide directive in October 2017 to end "sue and settle" practices within the Agency, putting an end to regulation by litigation.
- Issued a directive in October 2017 to ensure the independence of EPA's Federal Advisory Committees (FACs) by prohibiting members from serving on a FAC while simultaneously receiving grants from the Agency. In addition, the directive called for more geographic diversity on FACs, more frequent rotation in membership, and greater involvement by state, local, and tribal officials.
- Develop a directive to strengthen transparency and reproducibility for EPA's regulatory science.
- Develop an ANPRM on Increasing Consistency, Reliability, and Transparency in the Rulemaking Process to help inform implementing regulations for how EPA evaluates costs and benefits of rules. The Agency plans to issue this ANPRM in April 2018.
- Improve EPA's internal rulemaking process by updating the *Guidelines for Producing Economic Analysis*, which govern how the Agency conducts benefit-cost analysis and other regulatory impact analyses.
- EPA was the first federal agency to provide updated estimates of the social cost of carbon and methane consistent with E.O. 13783 (e.g, 2016 SCC=\$36/metric ton CO₂ @3% in 2015; 2017 SCC=\$5/metric ton CO₂ @3% in 2015).
- Issue permitting decisions in 6 months by 2020.
- Reduce the regulated community reporting and recordkeeping burden by 10 million hours by 2022.

¹ For which both benefits and costs have been estimated

KEY DEREGULATORY ACTIONS:

- ✓ **WOTUS:** EPA estimated the 2015 WOTUS rule had an annualized cost of up to \$462.9 million. Per E.O. 13778, EPA and the Army Corps issued a proposed repeal of the rule in June 2017, which could produce \$313.9 million in annualized cost-savings. In January 2018, the agencies issued a final rule to change the applicability date of the rule to February 2020 to allow time to reconsider the rule. As a second step, the agencies are developing a revised definition of WOTUS.
- ✓ **Clean Power Plan and Related Actions:** In 2015, EPA estimated that the CPP could cost \$5 to 8 billion in 2030 and result in a loss of roughly 34,000 jobs in 2030. The Energy Information Administration (EIA) estimated a loss of about 376,000 jobs under the CPP in 2030. Per E.O. 13783, EPA announced its withdrawal of the Federal Plan/Trading Rule/Framework Amendments under the CPP and its review of the New Source Performance Standards for coal-fired power plants on March 28, 2017. In October 2017, EPA issued a proposed repeal of the CPP saving \$33 billion in 2030. In December 2017, the Agency issued an ANPRM to solicit information from the public about a potential future rulemaking to limit greenhouse gas emissions from existing power plants.
- ✓ **Coal Combustion Residuals:** The 2015 CCR rule had an annualized cost of up to \$735 million. In March 2018, Administrator Pruitt signed the first of 2 rules that amend the 2015 rule and could produce \$100 million in annualized cost-savings.
- ✓ **Risk Management Plan:** The RMP Amendments rule had an annualized cost of \$131.8 million. In June 2017, EPA issued a final rule extending the effective date of the rule by 2 years while the Agency reconsiders the rule. In March 2018, EPA sent a draft reconsideration rule to OMB for interagency review.
- ✓ **Vehicle GHG Standards:** In March 2017, EPA and DOT announced their reconsideration of the prior administration's determination and plans to issue a Final Determination by April 1, 2018. In August 2017, EPA also announced its intent to reconsider provisions of the greenhouse gas standards for medium- and heavy-duty vehicles. In November 2017, the Agency issued a proposed rule to repeal emission requirements for glider kits, and provisions for trailers have been stayed by courts.
- ✓ **New Source Review:** In order to improve the NSR program, EPA planned to issue a series of memos on NSR reform. In December 2017, EPA issued guidance about the process of determining whether or not a project at an existing facility triggers NSR requirements (known as the "applicability determination"). In January 2018, EPA issued guidance withdrawing the 1995 "once-in-always-in" policy. In March 2018, EPA issued a memo that provides guidance for accounting changes in emissions from a project under the NSR program when determining whether a project will result in a significant emissions increase.
- ✓ **Methane Oil and Gas Rule:** The 2016 Oil and Gas Methane New Source Performance Standards for new and modified sources would have had an annualized cost of up to \$640 million in 2025. Additionally, many of its benefits relied on an overestimated social cost of methane. Per E.O. 13783, EPA announced its intent to reconsider the rule in April 2017. In June 2017, EPA issued a proposed short- and long-term delay of the rule. In March 2018, EPA amended 2 provisions of the rule to address immediate concerns with requirements pertaining to fugitive emissions. On the same day, EPA withdrew the Oil & Gas Control Technique Guidelines (CTG) saving \$14 to \$16 million in regulatory costs.
- ✓ **Methane Information Collection Request:** The methane ICR for the oil and gas sector had a compliance cost of more than \$40 million. In March 2017, EPA rescinded the ICR.
- ✓ **Steam Electric Effluent Limitation Guidelines:** EPA estimated the 2015 Steam ELG rule could have cost \$1.2 billion per year in the first 5 years with an annualized cost of \$480 million. Additionally, EPA estimated the rule could have reduced total operations and maintenance labor at coal-fired electric plants by the equivalent of 835 full-time employees in 2030. In September 2017, EPA issued a final rule to postpone compliance deadlines by 2 years, providing relief during the Agency's reconsideration, which could produce \$36.8 million in annualized cost-savings.

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