

Welcome to the latest edition of *The Surge*! This is a special EPA edition and is split into two parts:

- Part 1: A brief introduction to CEI's new initiative <u>Modernizing the EPA: A Blueprint</u> for Congress
- Part 2: A list and resources on EPA's major deregulatory actions

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Part 1: Modernizing the EPA: A Blueprint for Congress

On March 6, the Competitive Enterprise Institute launched a major initiative, *Modernizing the EPA: A Blueprint for Congress*. The first part of this major effort is our detailed and extensive publication to modernize the agency. It discusses numerous issues at the EPA and the statutes that it implements, such as the Clean Air Act. It also contains specific policy recommendations for Congress that can easily be turned into legislation.

This is just the start of our efforts to reform the EPA. We hope you will join us in this effort!

Below we have provided some useful information from *Modernizing the EPA*. Included

are some helpful resources, a chart showing how the U.S. fine particulate (PM2.5) matter concentration level compares to the rest of the world, and an excerpt from "Chapter 2: Modernizing Air Regulation" discussing the cost of EPA's air rules.

Resources

- Modernizing the EPA: A Blueprint for Congress Website
- Copy of the Book
- Press Release on the Project

U.S. PM2.5 Concentration Level Compared to EU Nations

The following is a useful chart from the publication's air chapter that provides some important perspective on fine particulate matter (PM2.5) concentration levels in the United States. As you can see, the U.S. has some of the cleanest air in the world. The following concentration levels are measured in micrograms per cubic meter (μ g/m3).

Table 3. PM2.5 concentration levels by country (3-year average for 2017-2019): EU countries compared to the United States

Country	Average PM 2.5 2017 to 2019
Finland	5.47
Sweden	5.99
Estonia	6.32
United States of America	7.76
Portugal	8.09
Ireland	8.21
Luxembourg	9.48
Spain	9.88
Denmark	9.88
Lithuania	10.47
France	10.99
Netherlands (Kingdom of the)	11.29
Germany	11.40
Belgium	11.92
Latvia	12.11
Austria	12.17
Malta	13.11
Romania	14.74
Cyprus	14.83
Greece	15.17
Italy	15.31
Hungary	16.04
Czechia	16.28
Slovenia	16.31
Croatia	17.50
Slovakia	17.82
Bulgaria	19.33
Poland	21.10

Costs from EPA Air Rules

This is an excerpt from the air chapter discussing the shocking costs of EPA's air regulations:

In its 2017 "Report to Congress on the Benefits and Costs of Federal Regulations and Agency Compliance with the Unfunded Mandates Reform Act," the Office of Management and Budget (OMB) analyzed the annual benefits and costs of major federal rules over the 10-year period of October 1, 2006 to September 30, 2016. According to OMB, EPA rules accounted for "55 percent to 64 percent of the monetized costs" from the rules across the federal government. The Office of Air and Radiation rules accounted for 92 percent of the costs of EPA rules. This means, if using the middle of the range (59.5 percent), the Office of Air and Radiation rules accounted for 55 percent of all monetized costs from the federal rules analyzed.

OMB also explained that EPA rules in general accounted for "71 percent to 80 percent of the monetized benefits" from the rules across the federal government and the Office of Air and Radiation rules accounted for over 95 percent of the monetized benefits of the EPA rules. These claimed benefits are often questionable, as discussed in Chapter 1. Regardless, the costs and benefits of these rules show the incredible magnitude of the air regulations.

Using data from the American Action Forum's Regulation Rodeo web site, during the Biden administration, air regulations accounted for almost all the EPA's regulatory costs (97 percent or higher in each of Biden's first three years). In two of those years, air regulations accounted for more than half of all regulatory costs across the entire federal government.

One specific rule from 2024 provides a useful example of the massive costs from EPA air rules. The Office of Air and Radiation's final vehicle "tailpipe" rule regulating emissions from light-duty and medium-duty vehicles is projected to impose a compliance cost of \$760 billion. This number accounts only for compliance costs and does not even include the costs of the subsidies the agency relies upon to drive the massive shift away from gas-powered vehicles and towards electric vehicles that is the rule's central policy design, nor the costs incurred by Americans including through higher vehicle ownership costs and forced reliance on vehicles with inferior range and long charging times.

To put this \$760 billion cost in context, the projected cost of the 2009 stimulus bill (the American Recovery and Reinvestment Act) was \$787 billion. Therefore, the EPA, without Congress ever speaking clearly on whether it wants to authorize the agency to impose such a major change in policy, has imposed about the same projected costs in this one rule as Congress did with its 2009 controversial and massive stimulus package.

Part 2: EPA Launches Biggest Deregulatory Action in U.S. History

On March 12, EPA Administrator, Lee Zeldin <u>announced</u> that the EPA, "will undertake 31 historic actions in the greatest and most consequential day of deregulation in U.S. history, to advance President Trump's Day One executive orders and Power the Great American Comeback." Below are the actions that were announced with links to useful resources, including links to underlying rules that are being reconsidered.

UNLEASHING AMERICAN ENERGY

- Reconsideration of regulations on power plants (Clean Power Plan 2.0)
- Reconsideration of regulations throttling the oil and gas industry (OOOO b/c)
- Reconsideration of <u>Mercury and Air Toxics Standards</u> that improperly targeted coal-fired power plants (MATS)
- Reconsideration of mandatory <u>Greenhouse Gas Reporting Program</u> that imposed significant costs on the American energy supply (GHG Reporting Program)
- Reconsideration of limitations, guidelines and standards (ELG) for the Steam Electric Power Generating Industry to ensure low-cost electricity while protecting water resources (Steam Electric ELG)
- Reconsideration of wastewater regulations for oil and gas development to help unleash American energy (Oil and Gas ELG)
- Reconsideration of Biden-Harris Administration Risk Management Program rule that made America's oil and natural gas refineries and chemical facilities less safe (Risk Management Program Rule)

LOWERING THE COST OF LIVING FOR AMERICAN FAMILIES

- Reconsideration of light-duty, medium-duty, and heavy-duty vehicle regulations
 that provided the foundation for the Biden-Harris electric vehicle mandate (<u>Car</u>
 <u>GHG Rules</u>)
- Reconsideration of the 2009 Endangerment Finding and regulations and actions that rely on that Finding (Endangerment Finding)
- Reconsideration of technology transition rule that forces companies to use certain technologies that increased costs on food at grocery stores and semiconductor manufacturing (Technology Transition Rule)
- Reconsideration of Particulate Matter National Ambient Air Quality Standards that shut down opportunities for American manufacturing and small businesses (<u>PM 2.5 NAAQS</u>)

- Reconsideration of multiple National Emission Standards for Hazardous Air Pollutants for American energy and manufacturing sectors (NESHAPs). Specifically, EPA is initially reconsidering NESHAPs for:
 - o integrated iron and steel manufacturing
 - o rubber tire manufacturing
 - o synthetic organic chemical manufacturing industry
 - o commercial sterilizers for medical devices and spices
 - o lime manufacturing
 - o coke ovens
 - o copper smelting
 - taconite ore processing
- Restructuring the Regional Haze Program that threatened the supply of affordable energy for American families (Regional Haze)
- Overhauling Biden-Harris Administration's "Social Cost of Carbon"
- Redirecting enforcement resources to EPA's core mission to relieve the economy
 of unnecessary bureaucratic burdens that drive up costs for American consumers
 (Enforcement Discretion)
- Terminating Biden's Environmental Justice and DEI arms of the agency (EJ/DEI)

ADVANCING COOPERATIVE FEDERALISM

- Ending so-called "Good Neighbor Plan" which the Biden-Harris Administration used to expand federal rules to more states and sectors beyond the program's traditional focus and led to the rejection of nearly all State Implementation Plans
- Working with states and tribes to resolve massive backlog with State Implementation Plans and Tribal Implementation Plans that the Biden-Harris Administration refused to resolve (SIPs/TIPs)
- Reconsideration of exceptional events rulemaking to work with states to prioritize
 the allowance of prescribed fires within State and Tribal Implementation Plans
 (Exceptional Events)
- Reconstituting <u>Science Advisory Board</u> and <u>Clean Air Scientific Advisory Committee</u> (SAB/CASAC)
- Prioritizing <u>coal ash</u> program to expedite state permit reviews and update coal ash regulations (CCR Rule)
- Utilizing enforcement discretion to further North Carolina's recovery from Hurricane Helene

Waters of the United States Revisited

On the same day that these other deregulatory actions were announced, the EPA also announced that it will work with the Army Corps of Engineers to review the definition of "waters of the United States" (WOTUS). This definition is extremely important because it clarifies what waters can be regulated under the Clean Water Act. The Biden

administration failed to develop rules that are consistent with the law, including the 2023 Supreme Court opinion <u>Sackett v EPA</u>.

Here are some useful CEI resources:

- <u>EPA, Corps Release WOTUS Rule Amendments, Offer No Opportunity for Public</u> Comments
- Senators Should Reject WOTUS Overreach
- <u>Bipartisan Majority of U.S. Senate Rejects Biden Administration Overreach on Waters of</u> the US Rule

FEATURING OUR FRIENDS

The Green New Deal is Gone: President Trump's Golden Age of Energy is Here, Carla Sands, Townhall.

<u>The Budgetary Cost of the Inflation Reduction Act's Energy Subsidies</u>, Travis Fisher & Joshua Loucks, Cato Institute.

<u>Trump Administration Pushes for More Coal Power in Electric Supply</u>, Institute for Energy Research.

<u>Trump Energy Secretary Offers Africa Freedom From Biden's Climate Imperialism</u>, Vijay Jayaraj, CO2 Coalition.

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