May 27, 2025

Anticompetitive Regulations Task Force U.S. Department of Justice Antitrust Division 950 Pennsylvania Avenue, NW Washington, DC 20530

RE: Docket No. ATR-2025-0001

Submitted via Regulations.gov

Dear Anticompetitive Regulations Task Force Members:

We appreciate this opportunity to provide comments to the task force regarding anticompetitive laws and regulations.

There is often a focus on how private parties act in an anti-competitive manner, but the government itself, at all levels, develops laws and regulations that hinder competition and artificially increase prices. In many instances, low-income households get hurt the most due to the regressive nature of higher prices.

The focus of our comment is on government policies that hinder competition within the energy sector or drive-up energy prices for consumers. We likely could develop a book on this issue, but for purposes of this comment, we have listed eight specific policies and include some links that help to further flesh out the issues.

1) EPA's *De Facto* EV Mandate. The Environmental Protection Agency (EPA) finalized a rule that would help to kill off gas-powered cars. <u>According</u> to the EPA, by 2032, 56 percent of new light-duty vehicles sold will be battery electric vehicles (EVs) and 13 percent will be plug-in hybrid electric vehicles. Less than 30 percent will be internal combustion engine vehicles. This is a <u>direct attack</u> on competition within the automobile industry. It would intentionally shift Americans into vehicles that are more expensive and less reliable than gas-powered vehicles.

2) The EPA's Clean Power Plan 2.0. The EPA finalized a rule that would once again have the agency act as the nation's grid manager. The agency's goal is to shift electricity generation from reliable sources of electricity (e.g. coal and natural gas) to unreliable sources of electricity (wind and solar). This rule literally seeks to <u>kill off</u> power generation by coal and natural gas.

3) The IRA's "Green" Subsidies. The Inflation Reduction Act (IRA) uses a <u>wide range</u> of subsidies, from loans, grants, to tax credits, to change how the nation produces and use energy. Like the Clean Power Plan 2.0, the subsidies are intended to shift the country away from reliable

sources of electricity, reducing competition and driving up prices. There are IRA subsidies, which like the EPA's *de facto* EV mandate would attempt to kill off gas-powered cars and get people driving EVs or out of cars altogether. The IRA is filled with harmful policies as well connected to appliances and housing.

4) HUD and USDA Housing Codes. Under the Biden administration, the Department of Housing and Urban Development (HUD) and the U.S. Department of Agriculture (USDA) <u>adopted</u> stringent international building code provisions for all new homes qualifying for federally backed mortgages. According to the National Association of Home Builders, these provisions could <u>add up</u> to \$31,000 to the cost of a compliant new home.

5) Residential Air Conditioning Rule. A 2023 Biden EPA regulation requires that all new residential air conditioning systems manufactured on or after January 1, 2025 must use certain agency-approved refrigerants deemed sufficiently climate friendly. Doing so has created a captive market for more expensive air conditioning systems. In addition, several of the compliant refrigerants used in these systems are proprietary and can only be made by the two companies holding the patents for them, and they cost many times more than the previously-used refrigerants that are now illegal in new equipment. See e.g. <u>https://cei.org/wp-content/uploads/2025/03/ModernizingtheEPA_v2-chap2.pdf</u> (pp.126-128).

6) The Jones Act. This more than <u>100-year-old</u> shipping law forbids the movement of goods between two U.S. ports on noncompliant vessels, making it expensive and difficult for some parts of the United States to maintain reliable supplies of natural gas. The Jones Act's requirements that vessels be U.S. -owned,-built,-crewed, and -registered means that <u>no LNG</u> <u>tankers</u> comply with the law. Therefore, it is impossible to move significant volumes of LNG between US ports. This is particularly unfortunate for states and territories with unique geographies and makes it hard for Hawaii, Puerto Rico, and New England among others to depend on this otherwise reliable fuel for power and other uses.

7) **Renewable Fuel Standard.** Passed by Congress in 2005 and amended in 2007, the <u>Renewable Fuel Standard</u> requires a certain amount of renewable fuels be blended into the transportation fuel mix each year. This comes largely in the form of ethanol and other biofuels. The requirement is in essence a subsidy to the producers of these fuels at the expense of everyone who purchases gasoline or diesel fuel.

8) Renewable Portfolio Standards. These state level policies (RPSs) require that a certain portion of a state's power come from renewable sources by a given year. They raise prices and endanger reliability. Because of the interconnected nature of the U.S. power grid, these policies also end up having consequences for states that have not adopted RPSs because they must make up the shortfalls of states with whom they share a grid.

Once again, we appreciate this opportunity to submit these comments.

Sincerely,

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