

# Regulatory Reform Initiatives

CIBO Environment Committee Meeting

June 6, 2017

# Regulatory Reform Update

- **Presidential Actions Advancing Regulatory Reform**
  - Presidential Memo: Streamlining Permitting & Reducing Burdens on Domestic Manufacturing—Commerce Department is directed to gather ideas from the public and regulatory agencies and submit a report to the President
  - Executive Order 13771: Reducing Regulations & Controlling Regulatory Costs—Directs OMB to manage a process where, for FY 2017, every new regulation must be offset by the rescission of two older ones, and regulatory costs are controlled by ensuring the net costs to the economy of new regulations are zero
  - Executive Order 13777: Enforcing the Regulatory Reform Agenda—directs regulatory agencies to establish regulatory reform task forces with a focus on rescinding, replacing, or modifying the most burdensome regulations and guidance.

# Administration Regulatory Reform Successes

- Executive Order 13778, Restoring the Rule of Law, Federalism, and Economic Growth by Reviewing the 'Waters of the United States' Rule: EPA is directed to review the WOTUS rule and begin a reconsideration process; Justice is directed to ask the Courts to stay ongoing litigation pending the reconsideration by EPA
- Executive Order 13783, Promoting Energy Independence and Economic Growth: multi-faceted E.O. directs federal agencies to review existing policies and practices that potentially burden the development or use of domestically produced energy resources; rescinds a number of Obama executive actions, including repeal of the NEPA GHG guidance; directs EPA to review and, as appropriate, reconsider the Clean Power Plan, GHG NSPS standards for new utility units, and the Federal cap-and-trade rule; sunsets the actions of the Interagency Work Groups responsible for the social cost of carbon and directs agencies to use OMB guidelines for future carbon evaluations; lifts the moratorium on coal leasing on public lands; and directs agencies, including EPA, to review, and as appropriate reconsider, a variety of rules addressing methane and other emissions from the upstream oil & gas sector.

## Other Regulatory Reform Successes

- EPA reconsidering the Risk Management Plan rulemaking
- EPA reconsidering the Mid-term Evaluation of LDV GHG/CAFÉ Standards for Model Years 2022-2025
- EPA reconsidering the Oil & Gas Sector Methane Rules for New Sources, and has withdrawn the ICR for existing sources
- Justice has successfully petitioned the Court to halt litigation on the following rules while EPA reviews them:
  - CPP & 111(b) rules
  - 2015 Ozone NAAQS
  - Utility Effluent Guidelines
  - Utility MATS rule
  - SSM SIP call
  - Phase 2 CAFÉ Standards for HDVs
  - Refrigerant LDAR rule

# Congressional Review Act Actions

- From an environmental standpoint, CRA authority proved to be mostly a dud. Under consideration were a number of actions:
  - DOI Stream Protection Rule passed by both houses and signed by Trump
  - RMP rule rescission—never considered
  - Methane requirements on public lands—went down in the Senate
  - Rescission of the 2015 ozone standard—never considered
  - Rescission of WOTUS—handled by E.O.
  - Rescission of the CPP and related rules—handled by E.O.

# EPA's Budget—A Comparison

- EPA 's Total Budget, 2016 Actual: \$8,258,411,600
- EPA's Total Budget, FY 2017 CR (annualized): \$8,244,337,000
- EPA's Total Budget, FY2018 Proposed: \$5,655,000,000
- Significant cuts:
  - State & Tribal assistance (down ~20%)
  - GHG Reporting (80+% reduction from FY2016)
  - Air & Energy Research (2/3 reduction from FY2017)
  - EJ (zeroed out)
  - Geographic Water Programs, e.g. Great Lakes, Chesapeake Bay (zeroed out)
  - Air Programs (~45% reduction from FY2017)

# Key Industry Regulatory Reform Priorities

- Air
  - Permit streamlining
    - PSD/NSR fixes
    - Modeling fixes
  - NAAQS implementation—more flexibility, lower costs
  - Reduce costs & burdens of several air rules—RTR rules, RICE MACT & related NSPS, boiler MACT
- Climate
  - Rescind or replace CPP & related rules
  - Fix the social cost of carbon
  - Address mobile source standards—revise 2022-25 CAFÉ/GHG standards for LDVs, California waiver
- Water
  - Rescind/replace WOTUS
  - Limit EPA nutrient rules
  - Rescind/revise effluent guidelines—utility, refinery
- Chemical Security
  - Rescind/replace RMP rule
- Chemicals
  - Ensure focused, cost-effective TSCA implementation rules

# Key EPA Players in DC

- Administrator: Scott Pruitt
  - Ryan Jackson
  - Mandy Gunesekara
- Office of Policy: Samantha Dravis
  - Brittany Bolen
- Air Office: Sarah Dunham (Acting A.A.)
- OECA: Larry Starfield (Acting A.A.); Susan Bodine nominated
- OGC: Kevin Minoli (Acting A.A.)
  - Justin Schwab
- Water Office: Mike Shapiro (Acting A.A.)