

ONE HUNDRED FOURTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

MEMORANDUM

July 4, 2016

To: Subcommittee on Energy and Power Democratic Members and Staff

Fr: Committee on Energy and Commerce Democratic Staff

Re: Hearing on “A Review of EPA’s Regulatory Activity During the Obama Administration: Energy and Industrial Sectors”

On Wednesday, July 6, 2016, at 10:00 a.m. in room 2322 of the Rayburn House Office Building, the Subcommittee on Energy and Power will hold a hearing on “A Review of EPA’s Regulatory Activity During the Obama Administration: Energy and Industrial Sectors.” The hearing will cover major Clean Air Act (CAA) rules affecting stationary sources of greenhouse gas emissions that the Environmental Protection Agency (EPA) issued since 2009 and that the Agency plans to work on through the end of the Obama Administration.

I. THE CLEAN AIR ACT’S TRACK RECORD

Since its enactment in 1970, the CAA has reduced key air pollutants by roughly 70 percent, while the economy has more than tripled in size.¹ In 2010 alone, the CAA prevented over 160,000 premature deaths, 130,000 cases of heart disease, and 1.7 million asthma attacks, as well as 86,000 hospital admissions and millions of respiratory illnesses. The legislation has also dramatically enhanced economic and academic productivity by preventing 13 million lost work-days, and 3 million lost school-days.²

¹ U.S. Environmental Protection Agency (EPA), *Progress Cleaning the Air and Improving People’s Health* (March 29, 2016) (www.epa.gov/clean-air-act-overview/progress-cleaning-air-and-improving-peoples-health).

² U.S. EPA, Office of Air and Radiation, *The Benefits and Costs of the Clean Air Act from 1990 to 2020: Summary Report*, at 14 (Mar. 2011) (www.epa.gov/cleanairactbenefits/feb11/summaryreport.pdf).

Regulations promulgated under the CAA have spurred innovation in the transportation, electricity, and manufacturing sectors. These developments have resulted in cleaner engine technologies and cleaner fuels; and reduced air pollution from electricity generators and manufacturing facilities. In addition to health and environmental benefits, the CAA has also made the United States a world leader in pollution control technology. In 2008, the U.S. pollution control industry generated \$300 billion in revenues and \$44 billion in exports and supported over 1.5 million jobs.³

In raising arguments against the CAA and its ensuing regulations, many regulated entities and industry trade groups routinely criticize the costs of compliance and question claims of public health and environmental benefits. Conservative organizations issue numerous reports and studies that target the regulatory process in general. They assert that these regulations are responsible for job losses and reducing the competitiveness of the United States industry. These reports rarely account for the benefits of regulations or analyze the costs incurred by workers, consumers, businesses, or the general public due to inadequate regulation.

In fact, the benefits of CAA programs have consistently outweighed the costs of pollution reduction by substantial margins. EPA's analyses estimate both the costs and benefits of implementing a new rule. And, although the CAA does not require the benefits of a rule to exceed the costs, rules issued under the CAA deliver justifiable benefits exceeding the rules' costs. In a recent report to Congress, the Office of Management and Budget (OMB) found that EPA's major rules promulgated between 2004 and 2014, yielded more benefits than major rules promulgated by other agency over that same period. In aggregate, the 32 major rules promulgated by EPA had benefits between \$160 billion and \$788 billion, compared to costs of just \$38 billion to \$45 billion.⁴ Rules promulgated by EPA in FY 2014 alone have resulted in an estimated \$13 billion worth of benefits, far exceeding the \$1.6 billion in estimated costs.⁵ By 2020, the economic benefit of reducing air pollution is estimated at almost \$2 trillion dollars, exceeding the costs by 30 to 1.⁶ The attached appendix briefly outlines the status and benefits of major air rules promulgated since January 2009.

³ U.S. Department of Commerce, International Trade Administration, *Environmental Technologies Industries: FY2010 Industry Assessment* (Apr. 2010) ([web.ita.doc.gov/ete/eteinfo.nsf/068f3801d047f26e85256883006ffa54/4878b7e2fc08ac6d85256883006c452c/\\$FILE/Full%20Environmental%20Industries%20Assessment%202010.pdf](http://web.ita.doc.gov/ete/eteinfo.nsf/068f3801d047f26e85256883006ffa54/4878b7e2fc08ac6d85256883006c452c/$FILE/Full%20Environmental%20Industries%20Assessment%202010.pdf)).

⁴ U.S. Office of Management and Budget (OMB), *2015 Report to Congress on the Benefits and Costs of Federal Regulations and Agency Compliance with the Unfunded Mandates Reform Act* (Mar. 2016) (www.whitehouse.gov/sites/default/files/omb/inforeg/2015_cb/2015-cost-benefit-report.pdf).

⁵ U.S. OMB, *2015 Report to Congress on the Benefits and Costs of Federal Regulations and Agency Compliance with the Unfunded Mandates Reform Act* (Mar. 2016) (www.whitehouse.gov/sites/default/files/omb/inforeg/2015_cb/2015-cost-benefit-report.pdf).

⁶ U.S. EPA, Office of Air and Radiation, *The Benefits and Costs of the Clean Air Act from 1990 to 2020: Summary Report*, at 2 (Mar. 2011) (www.epa.gov/cleanairactbenefits/feb11/summaryreport.pdf).

II. WITNESSES

The following witnesses have been invited to testify:

Panel 1

Ms. Janet McCabe

Acting Assistant Administrator
Office of Air and Radiation
U.S. Environmental Protection Agency

Panel 2

Mr. Travis Kavulla

President, National Association of Regulatory Utility Commissioners, and
Vice-Chairman, Montana Public Service Commission

Mr. David J. Porter

Chairman
Railroad Commission of Texas

Mr. Lynn D. Helms

Director, North Dakota Industrial Commission
Department of Mineral Resources

Mr. Charles D. McConnell

Executive Director
Energy and Environment Initiative, Rice University

Mr. Robert Weissman

President
Public Citizen