

## **Testimony of Robert J. Meyers**

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Subcommittee on Energy and Power

“American Energy Initiative”

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I would like to thank the Chairman Whitfield and the members of the Subcommittee for the opportunity to offer testimony concerning Clean Air Act (“CAA”) regulations affecting petroleum refineries and the discussion draft under consideration, the Gasoline Regulations Act of 2012. I appreciate the Subcommittee’s continuing review of national energy and environmental policy and the effect of various CAA regulations. I ask that my full written statement be placed into the record for this hearing.

My testimony addresses the cumulative impact analysis required by the discussion draft, the effect of the legislation on pending and future CAA rulemakings, the interrelationship of the affected rulemakings within the CAA, the projected timing and impact of CAA regulations on the petroleum refinery sector and provisions of the legislation that would affect the promulgation of new ozone National Ambient Air Quality Standards (“NAAQS”). I also address the nexus of this legislation to ongoing efforts at promoting effective regulatory analysis and reform.

### **I. Analysis Required by Draft Legislation**

The discussion draft requires an analysis of the cumulative impact of Environmental Protection Agency (“EPA”) regulations affecting the refinery sector and the impact of

greenhouse gas (“GHG”) permitting on refineries and other facilities involved in the production, distribution, and transportation of gasoline and diesel. The analysis is to be conducted by an interagency committee, chaired by the Secretary of Energy. A preliminary report is required within 90 days of enactment of the legislation; a final report is required within 120 days of the preliminary report.

The draft looks at both domestic and international impacts. With regard to effects in the United States, the committee established by the legislation, the Transportation Fuels Regulatory Committee, is required to analyze changes in national, regional or state fuel prices, the required level of capital investment for new equipment, resulting operation and maintenance costs and effects on employment. Where feasible, the committee is to also assess other impacts on consumers, small businesses, public health and other matters. As to international impacts, the committee is charged with assessing the impact of covered rules and GHG permitting on global economic competitiveness and domestic refining capacity. In other words, the committee is to examine how new regulations and GHG permit requirements will affect jobs and the number of refineries that will be able to operate in the United States.

Rules to be analyzed by the committee are:

- The “Tier 3” motor vehicle and fuel standards that are currently under development.

Although the text of these rules has not been made public, they have been described on EPA’s Regulatory Gateway<sup>1</sup> and are listed on the Office of Management and Budget’s

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<sup>1</sup> EPA’s Regulatory Gateway lists major “priority rulemakings” for different topic areas where the agency has legislative authority. The site can be found at: <http://yosemite.epa.gov/opei/RuleGate.nsf/>

“Unified Agenda.”<sup>2</sup> The focus of the rules is to establish “follow-on” requirements for light duty vehicles covering Model Years 2017 to 2025 and to promulgate certain fuel standards. EPA lists authority for the rules as sections 202(a) and 211(v) of the CAA.

- Rules proposed after March 15, 2012 regarding New Source Performance Standards (“NSPS”) and Maximum Achievable Control Technology (“MACT”) standards. The NSPS program authorizes the “best system of emission reduction” for source categories and must take into account the cost of achieving reductions and nonair quality health and environmental impacts as well as energy requirements. NSPS currently exist for refineries; the CAA requires that EPA review such standards and, if appropriate, revise existing standards every 8 years. MACT standards address hazardous air pollutants. Once established, they are subject to a review of residual risk and are also subject to technology reviews every 8 yrstd.
- Rules proposed after March 15, 2012 regarding the implementation of the Renewable Fuel Program (“RFS”). The RFS was established by the Energy Policy Act of 2005 and amended and expanded in the Energy Independence and Security Act of 2007 (“EISA”). While regulations to implement the RFS program were promulgated in 2007 and 2010<sup>3</sup>, there are a number of additional rules that are required under CAA section 211(o) on a recurrent basis.

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<sup>2</sup> The “Unified Agenda of Federal Regulatory and Deregulatory Actions” is produced semi-annually and can be found at <http://www.reginfo.gov/public/do/eAgendaMain>.

<sup>3</sup> 72 Fed. Reg. 23,900 (May 1, 2007); 75 Fed. Reg. 14,670 (March 26, 2010).

- The 2008 final rule establishing the ozone NAAQS, the 2011 “reconsidered” ozone NAAQS and subsequent rules revising the ozone NAAQS. Ozone is one of six “criteria” pollutants that are regulated pursuant to CAA section 109. While NAAQS are not directly applicable to sources such as refineries, the CAA otherwise requires states to develop State Implementation Plans (“SIPs”) that impose various requirements on sources in order to bring “nonattainment” areas into compliance and to maintain ambient air quality in areas that meet NAAQS.

The committee is also required to analyze permitting actions for GHGs for facilities involved in the production, transportation or distribution of gasoline and diesel fuel. In specific, the legislation addresses Prevention of Significant Deterioration (“PSD”) and Title V permitting actions taken on or after January 1, 2009. PSD permits are required for the construction of “major” facilities and the “modification” of existing facilities.<sup>4</sup> Title V operating permits are required for major sources (which are interpreted by EPA to include sources that emit or have the potential to emit 100 tons per year of any air pollutant subject to regulation).<sup>5</sup>

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<sup>4</sup> “Modification” is a defined term in CAA section 111(a) and refers to “any physical change in, or change in the method of operation of, a stationary source which increases the amount of air pollution emitted by such sources or which results in the emission of any air pollutant not previously emitted.”

<sup>5</sup> For GHGs, EPA has temporarily defined PSD permitting thresholds to be 100,000 and 75,000 tons per year of carbon dioxide equivalent (“CO<sub>2</sub>e”) emissions depending on whether a facility is being newly constructed or modified. These levels are in contrast to the 250 and 100 ton per year (“tpy”) levels applied to “conventional” pollutants. 75 Fed. Reg. 31,514 (June 3, 2010). For purposes of Title V, EPA applies a 100,000 tpy CO<sub>2</sub>e threshold. *Id.* at 31,524.

## **II. Effect on the Timing of Pending/Future Rulemakings**

The discussion draft provides that the EPA shall not finalize certain identified rules until 6 months following the submission of the required analysis to Congress. These rules are the Tier 3 rule, rules proposed after March 15, 2012 under CAA sections 111 or 112 and any rule revising or supplementing the ozone NAAQS. Under the timing contemplated in the legislation, the identified rules could not be promulgated as final rules for approximately 13 months.<sup>6</sup>

If the schedule provided in the legislation is achieved, any delay in EPA's rulemaking activity should be either non-existent or minimal. The Tier 3 rulemaking, for example, is designed to address vehicle standards that take effect, at the earliest, nearly five years from today's hearing. While EPA normally allow several model years from the date of rule promulgation to compliance, for vehicles or engines other than heavy-duty, the CAA requires only that sufficient time be allowed for the development and application of requisite technology.<sup>7</sup> In this regard, EPA's last rulemaking to address GHG emissions from vehicles allowed less than 8 months from the date of Federal Register publication to the first compliance period for Model Year 2011.<sup>8</sup>

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<sup>6</sup> It should be noted both the preliminary and final reports are subject to requirements that occur "not later" than 90 days and 60 days, respectively.

<sup>7</sup> CAA section 202(a)(2).

<sup>8</sup> 75 Fed. Reg. 25,324 (May 7, 2010).

EPA's current schedule for promulgation of a final revised ozone NAAQS is also over two years away with a final rule projected for July 2014.<sup>9</sup> Thus, since the legislation affects only final rules and not the NAAQS development process or the publication of proposed rules, it is possible that the bill will have no effect on the schedule for the ozone NAAQS review depending on its date of enactment.<sup>10</sup> With respect to the timing of final CAA section 111 and 112 rules, EPA's contemplated schedule is less clear, but it appears that final GHG NSPS standards will not occur this year, allowing sufficient time for a cumulative analysis.<sup>11</sup>

### **III. Ozone NAAQS Revision**

As noted above, Section 6 of the discussion draft requires that EPA take into consideration "feasibility and cost" in revising or supplementing primary or secondary ozone NAAQS. It should be noted that this provision would result in fundamental changes to the current process for reviewing and considering revisions to NAAQS under CAA section 109.

CAA section 109 provides that primary NAAQS are to be "based on such criteria and allowing

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<sup>9</sup> *Update on National Ambient Air Quality Standards*, EPA-A&WMA Information Exchange, November 29, 2011 at 3.

<sup>10</sup> Section 6 of the legislation, however, requires the Administrator to take into consideration the feasibility and cost of revising or supplementing primary or secondary ozone NAAQS. To the extent that this provision would be interpreted by EPA to require additional analysis beyond the analysis currently being undertaken, it is possible that the provision could result in some delay with respect to a final standard.

<sup>11</sup> EPA has proposed amendments to heat exchange requirements under CAA section 112 as a result of a 2009 petition for reconsideration. 77 Fed. Reg. 960 (January 6, 2012). EPA also entered into a settlement agreement concerning a petition for reconsideration of refinery NSPS that requires a final rule by November 10, 2012 to address various subparts of the current NSPS and establish standards of performance for GHGs. However, EPA did not meet the deadline for sending a proposed rule on GHG standards to the Office of the Federal Register and the Administrator has indicated that final rules should not be expected this year.

an adequate margin of safety, are requisite to protect the public health.” Secondary NAAQS are to be “requisite to protect the public welfare from any known or anticipated adverse effects associated with the presence of such air pollutant in the ambient air.”

It is beyond the scope of this testimony to recount the long CAA history of the interpretation of CAA section 109 and relevant litigation. With respect to the consideration of cost, however, the Supreme Court ruled in *Whitman v. American Trucking Associations* that “[t]he text of § 109(b), interpreted in its statutory and historical context and with appreciation for its importance to the CAA as a whole, unambiguously bars cost considerations from the NAAQS-setting process.”<sup>12</sup> Enactment of Section 6 would obviously directly impact this legal interpretation.

At the same time, however, it is clear that EPA has regularly projected the costs and likely nonattainment areas resulting from different alternatives or proposed NAAQS during the Agency’s CAA section 109 review process. These projections can be found in both the agency’s final regulatory impact documents as well as staff papers<sup>13</sup> and other briefing materials. Indeed, as part of the 2009-2011 reconsideration of the ozone NAAQS, EPA projected the number of counties that would not attain a 0.70 ppm ozone and 18 ppm-hrs secondary standard.<sup>14</sup> Thus, while an EPA Administrator is to act in his or her judgment, without the consideration of the

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<sup>12</sup> 531 U.S. 457, 473.

<sup>13</sup> See, for example, *Review of the National Ambient Air Quality Standard for Ozone; Policy Assessment of Scientific and Technical Information*, Appendices to OAQPS Staff Paper, July 2007 at Appendix 6a.

<sup>14</sup> *Regulatory Impact Analysis, Final National Ambient Air Quality Standard for Ozone*, U.S. Environmental Protection Agency, Office of Air and Radiation, July 2011 at 12.

costs of compliance and without reference to projected difficulties in bringing various nonattainment areas into compliance, it is clear that the issue of cost and the feasibility of establishing a new or revised NAAQS has remained in the background analysis of the Agency's decisionmaking process. At best, this places EPA Administrators in a difficult position where they must ignore the very information that many in the regulated community (and officials in many states and communities which must implement NAAQS) consider to be highly relevant to the consideration of what final decision should be made.

#### **IV. Interrelationship of EPA Rulemakings**

The discussion draft recognizes that a number of separate regulations, promulgated and implemented under different sections of the CAA, could combine with greatly increased permitting burdens on the refinery and fuel distribution sector to impose substantial costs on the production and supply of transportation fuels in this country. Near-term costs of Tier 3 regulations and other stationary source requirements will include the design, planning and regulatory approval of new refinery equipment and emission control devices. Longer-term costs as a result of stationary source controls will be experienced in the form of continued operation and maintenance of installed systems. In addition, as mentioned above, states may impose additional controls on refineries driven by the need to submit approvable SIPs to EPA in order to attain the current ozone NAAQS and any revised ozone NAAQS. The net result is not only increased prices for gasoline and diesel -- but a substantial impact on cost of refining crude oil in the United States. This could realistically result in an increase in offshore production of refined products that are imported into the United States.

With respect to the specific rules for which cumulative analysis is required, there is a strong nexus between the rules identified in the discussion draft:

- The Tier 3 rulemaking and ozone NAAQS are directly linked. Although EPA’s description of the Tier 3 rulemaking has varied<sup>15</sup>, its most recent statement indicates that the Tier 3 rule would “help state and local areas attain and maintain the existing health-based air quality standards in a cost-effective and timely way.”<sup>16</sup> EPA previously analyzed additional mobile source controls in connection with the promulgation of the 2008 ozone NAAQS, including such measures as lowering the volatility of gasoline and increased diesel retrofits.<sup>17</sup>
- According to EPA analysis, the RFS program has an impact on local air quality, attainment of the NAAQS and mobile air toxics. While EPA has not completed a

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<sup>15</sup> EPA has cited CAA section 211(v) as authority for the rulemaking and described the Tier 3 rule as establishing “new standards for light-duty vehicles and their fuels in order to reduce emissions of criteria and toxic pollutants and their impact on air quality and health.” *See* Rulemaking Gateway referenced *supra* note 1. CAA section 211(v) requires EPA to determine whether the renewable fuel volumes required by CAA section 211(o) “will adversely impact air quality as a result of changes in vehicle and engine emissions of air pollutants regulated under this Act.” However, EPA has recently stated that the only fuel requirement that is being considered for Tier 3 is adjustment to the amount of sulfur in gasoline, seemingly in contradiction to its earlier reliance on section 211(v) authority which is based on the assessment of renewable fuel impacts.

<sup>16</sup> Letter to Chairman Ed Whitfield from EPA Assistant Administrator Gina McCarthy, February 27, 2012.

<sup>17</sup> *See Final Ozone NAAQS Regulatory Impact Analysis*, Appendix 3; Additional Control Strategy Information and Appendix 7a: National Baseline Sensitivity Analysis, U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, March 2008.

study on this matter required as part of EISA, regulatory impact analyses conducted for the RFS 1 and RFS 2 rulemaking have outlined projected increases in emissions of nitrogen oxides, formaldehyde, acetaldehyde and 1,3 butadiene and decreases in emissions of volatile organics, carbon monoxide and benzene as a result of increasing use of renewable fuels.<sup>18</sup>

- While NSPS and MACT standards are focused on emissions from facilities rather than requirements related to the content and composition of transportation fuel, implementing fuel content standards and new standards for facilities will require coordinated efforts occurring in the same timeframe. This is because both types of standards may involve the installation of additional control equipment (*e.g.*, such as the installation of new hydrotreating equipment to lower sulfur in gasoline in order to meet Tier 3 requirements or the need to address refinery flares or equipment leaks in the context of new NSPS). In addition, additional expenses for compliance will occur during the same timeframe (*e.g.*, the RFS imposes costs each year by requiring the purchase of renewable fuel or Renewable Identification Numbers; maintenance associated additional equipment standards, required work practices, as well monitoring and reporting expenses also occur on a continual basis following the promulgation of an NSPS or MACT).

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<sup>18</sup> *Renewable Fuel Standard Program (RFS 2) Regulatory Impact Analysis*, U.S. Environmental Protection Agency, Office of Transportation and Air Quality, February 2010 at 508; *Regulatory Impact Analysis: Renewable Fuel Standard Program*, U.S. Environmental Protection Agency, Office of Transportation and Air Quality, April 2007 at 124.

- NSPS standards serve as a “floor” for the analysis of the Best Available Control Technology standards applied under the PSD program.<sup>19</sup> Thus, EPA promulgation of a revised NSPS will have a far-reaching effect on individual permitting decisions for both GHG and non-GHG emissions. This effect would be expanded under a consent agreement in which EPA committed to proposing and finalizing standards for new facilities, as well as issuing guidelines for existing facilities which are regulated under state plans required under CAA section 111(d).<sup>20</sup>
- Requirements to analyze GHGs in the context of PSD permitting may need to be reconciled with other CAA objectives. To date, EPA has not precisely defined what may be required with respect to addressing GHGs in refinery permitting actions, but instead the Agency has issued general guidance<sup>21</sup> and an industry specific “White Paper.”<sup>22</sup> The Agency recently commented, however, with regard to PSD requirements in the construction of a crude oil refinery in South Dakota. In this context, EPA noted that the state permitting agency placed a “higher

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<sup>19</sup> CAA section 165(a).

<sup>20</sup> Item 2 of Settlement Agreement between the U.S. Environmental Protection Agency, State and environmental petitioners, December 2010 at 4.

<sup>21</sup> *PSD and Title V Permitting Guidance for Greenhouse Gases*, United States Environmental Protection Agency, Office of Air Quality Planning and Standards, EPA-457/B-11-001, March 2011. This guidance document prominently states that it is not a rule or regulation and “may not apply to a particular situation based upon the individual facts or circumstances . . . [and] does not establish legally binding requirements in and of itself.”

<sup>22</sup> *Available and Emerging Technologies for Reducing Greenhouse Gas Emissions from the Petroleum Refining Industry*, U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, October 2010.

emphasis on reducing emissions of criteria pollutants . . . which have a NAAQS than carbon dioxide.<sup>23</sup> While it is unclear whether EPA’s comments have any import beyond the specific permitting action in which they were rendered, they do raise the issue of the relative benefits and costs of addressing GHGs and non-GHG emissions in the same permitting action.

## **V. Benefits of Cumulative Analysis**

### **A. Cost Analysis**

While EPA is currently subject to various analytical requirements that are either statutory or required pursuant to Executive Orders<sup>24</sup>, current regulatory analysis has generally been constrained to projecting the effects of an individual rulemaking and/or various regulatory options contained within an individual rulemaking. Such analysis often utilizes a “base case” that includes projections regarding current regulations, but does not take into account other regulations that may realistically occur during the timeframe analyzed.<sup>25</sup> In general, the base

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<sup>23</sup> *Comments on Revised Draft Prevention of Significant Deterioration (PSD) Permit No. 280701 – Permit to Construct Hyperion Energy Center*, United States Environmental Protection Agency Region 8, April 1, 2011.

<sup>24</sup> Executive Orders 12866, 13132, 13045, 13211 and the Regulatory Flexibility Act and the Unfunded Mandates Reform Act require that various analysis be conducted depending on whether a regulatory action is economically “significant” or would otherwise affect certain defined entities.

<sup>25</sup> This is not always the case, however. In the RIA for the Cross-State Air Pollution Rule, EPA assumed that a pre-existing program, the Clean Air Interstate Rule was not in effect. See *Regulatory Impact Analysis for the Federal Implementation Plans to Reduce Interstate Transport of Fine Particulate Matter and Ozone in 27 States; Correction of SP Approvals for 22 States*, U.S. EPA, Office of Air and Radiation, June 2011 at 30.

case is intended to facilitate analysis of the effect of the intended rulemaking in isolation, and to provide a method for measuring relative costs and benefits.

By requiring that cumulative costs of rules and actions affecting the fuel industry be examined, the discussion draft would provide Congress and the public with a much more robust analysis than that which is currently produced. The analysis would be required for two “outyears,” 2016 and 2020. This time period is generally aligned with the timeframe for which a newly revised NAAQS would be finalized and implemented.<sup>26</sup> It is also aligned with the time period for which new MACT standards for existing sources would take effect and would represent both the year before and three years after new Tier 3 standards are contemplated. While it is difficult to project when GHG permitting actions would occur since such actions are facility-specific, any finalized NSPS standards would also be operative during this period if promulgated by the Agency.

The legislation also requires discussion and, where feasible, an assessment of the cumulative impact on consumers, small businesses, regional economies, state, local and tribal governments, low income communities and labor markets. Again, such fine grain analysis is often beyond the scope of EPA regulatory analysis. Rather than require the Transportation Fuels and Regulatory Committee to do the impossible, however, the legislation also specifies that the committee is not required to create data or use data that is not readily accessible. In addition, a cumulative assessment of costs would make an important contribution to the understanding of

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<sup>26</sup> EPA currently indicates that it will complete its CAA section 109 review of the existing ozone NAAQS and propose any revisions to the standard by October 2013 with a final rule scheduled for July 2014. Under this schedule, EPA would be required by CAA section 107(d) to promulgate the designation of any new ozone nonattainment areas by mid-to-late 2016. Compliance with the new standard could be required as early as 2019.

current regulatory efforts. It would recognize that gasoline, diesel, various blendstocks and renewable fuels are international commodities, and that domestic policies can have not only a direct impact on fuel prices at home, but also affect the ability of U.S. companies to both invest in this country and compete with foreign competitors.

## **B. Benefits Analysis**

The discussion draft also requires analysis of cumulative benefits. As it does with respect to costs, EPA currently analyzes the projected benefits of its rules, but not in a cumulative fashion. For criteria pollutants and other non-greenhouse gas emissions, projected benefits are normally based on assessment of the resulting effect on ambient air, or that air to which the public has access. For NAAQS, EPA has calculated health benefits with respect to various projected health endpoints at different levels of ambient air quality.<sup>27</sup> The legislation, however, does not specify whether this protocol or other methodology may be used, thus leaving such matters to the decision of the committee.

With regard to GHGs, it should be noted that the regulatory analyses that have been completed have not used benefit calculation methodologies that are the same as those used for “conventional” emissions. For example, the EPA has not calculated a precise benefit for the reduction of various GHGs, but instead has utilized a range estimate with respect to carbon dioxide (“CO<sub>2</sub>”) emissions. For CO<sub>2</sub>, current interagency methodology utilizes the concept of a “social cost of carbon,” but cost estimates as measured from the low end to the high end differ by

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<sup>27</sup> For example, in the draft Regulatory Impact Analysis for the reconsidered ozone standard, EPA analyzed benefits for three different ozone standards set at 0.65 parts per million (ppm) and 0.70 and 0.75 ppm. *Regulatory Impact Analysis, Final National Ambient Air Quality Standard for Ozone*, U.S. Environmental Protection Agency, Office of Air and Radiation, July 2011 at 22.

a factor of 13.<sup>28</sup> Thus, it may be less clear how cumulative benefits for GHGs would be calculated under the legislation, but this is not intrinsic to the legislation. Instead, it is reflective of the current range of uncertainty in such estimates.

### **C. Current Regulatory Policies**

In assessing the draft legislation, it is clear that current regulatory policies express a similar objective to bring rational analysis to rulemakings that have a major impact on our nation's economy. I would point to three separate factors and events:

First, on January 18, 2011, the President signed Executive Order 13563 ("E.O. 13563"), *Improving Regulation and Regulatory Review*.<sup>29</sup> The order expressed general principles of regulation including the protection of public health, welfare, safety and the environment while promoting economic growth, innovation, competitiveness and job creation. Among other elements of the order were a directive to use the "best, most innovative, and least burdensome tools for achieving regulatory ends [and] to take into account benefits and costs, both qualitative and quantitative." The order required, to the extent permitted by law, that agencies tailor regulations to impose the least burdens "taking into account, among other things, and to the

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<sup>28</sup> In various regulatory analysis for greenhouse gases, EPA has attempted to calculate the "social cost of carbon." This measure is described as including several effects including net changes in agricultural productivity, human health, damage to property damages and changes in the value of ecosystem services. EPA's draft analysis for the reconsidered ozone standard included a range of \$5 to \$67 per metric ton of CO<sub>2</sub> emissions. *Draft Regulatory Impact Analysis: Proposed Rulemaking for 2017-2025 Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards*, Office of Transportation and Air Quality, November 2011 at 7-3.

<sup>29</sup> 76 Fed. Reg. 3,821 (January 21, 2011).

extent practicable, the costs of cumulative regulations.”<sup>30</sup> The discussion draft therefore provides legislative authority consistent with the objective of obtaining a cumulative analysis of the multiple regulatory burdens facing the nation’s fuel industry.

Second, on September 2, 2011, the Office of Management and Budget (“OMB”) returned a final rule revising the ozone NAAQS to EPA. In the letter accompanying the returned rule, the Director of the OMB Office of Information and Regulatory Affairs, Cass Sunstein, referenced the emphasis of E.O. 13563 the promotion of regulatory “predictability and reduce[d] uncertainty.” He also noted that Executive Order 12866, incorporated within E.O. 13563, “states that each ‘agency shall avoid regulations that are inconsistent, incompatible, or duplicative with its other regulations’”. Again, the discussion draft would provide clear authority and direction for the administration to take action consistent with these principles.

Finally, on March 20, 2012, Cass Sunstein issued a memorandum affirming the importance of E.O. 13563 and directing agencies to “take active steps to take account of the cumulative effects of new and existing rules and to identify opportunities to harmonize and streamline multiple rules.”<sup>31</sup> The memorandum directs federal agencies to give “[c]areful consideration, in the analysis of costs and benefits, of the relationship between new regulations and regulations that are already in effect.” In addition, the memorandum specifies that efforts should be made to address the “[c]oordination of timing, content, and requirements of multiple

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<sup>30</sup> *Id.* at Section 1(b).

<sup>31</sup> *Memorandum for the Heads of Executive Departments and Agencies, Cumulative Effects of Regulations*, Cass R. Sunstein, Administrator, Office of Information and Regulatory Affairs, March 20, 2012.

rulemakings that are contemplated for a particular industry or sector, so as to increase net benefits”<sup>32</sup> Section 2 through 5 of the discussion draft is directly responsive to these concerns.

## **VI. Conclusion**

It is clear that any effort to address CAA requirements is likely to be contentious and subject to extensive debate, especially when those requirements involve standards for the control of GHG emissions or affect the promulgation of NAAQS. But it is an effort well worth undertaking. It has been nearly 22 years since Congress considered and enacted comprehensive amendments to the CAA. In that time period, various individual requirements have combined to subject various sectors of the economy to multiple requirements. Requiring the analysis of the combined effect of multiple regulations makes eminent sense from both a public policy and economic perspective.

The discussion draft would provide valuable information concerning the real-world, cumulative impact of regulations affecting a vital sector of our nation’s economy: the production of gasoline and diesel. While current regulatory analysis is in many cases informative, it is limited by the scope of the analysis to the effect of the specific rulemaking under consideration. A broader analysis of the entire sector could provide vital insights into the interactions of various rulemakings and, if the legislation is promptly passed and implemented, the analysis can be accomplished within a timeframe that would have minimal impact on the current schedule for promulgating final regulations.

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<sup>32</sup> *Id.* at 2.