

Reform the Regulatory Process for Balance, Predictability, and Transparency

Regulations are an essential part of a complex economy. When designed well, regulations can make Americans healthier and safer. However, when designed poorly, regulations can cost jobs, divert time and resources, harm or even destroy entire industries, and create a level of complexity that discourages business expansion and job creation, while providing little social benefit.

Unfortunately, the scope, scale, and pace of federal rulemakings have increased dramatically in recent years. The compliance costs and other effects of this growing regulatory burden have a very real impact on economic activity. We have also seen agencies expand their power and ignore the costs and negative effects of their proposed regulations, even when the law requires the agency to take economic impact into account. Too often, these regulations create perverse consequences that encourage businesses to delay investment and projects. A reasonable balance must be restored to the rulemaking process and the regulatory powers of agencies to ensure a more balanced, predictable, and transparent course of action.

Cumulative Cost of Manufacturing - Related Major Regulations Over Time: 1993-2011 (Billions of 2010\$)

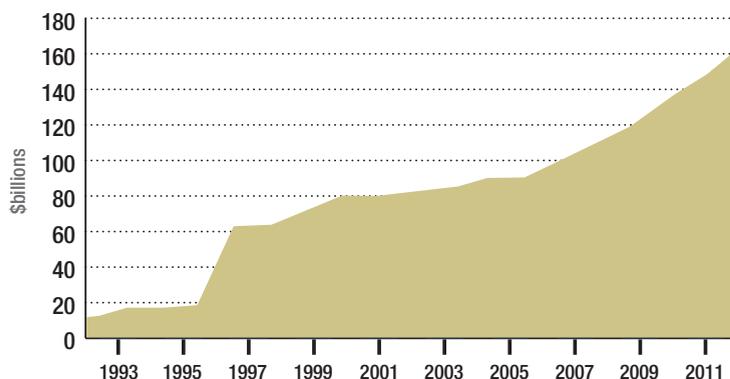


Image Source: NERA Economic Consulting, *Macroeconomic Impacts of Federal Regulation of the Manufacturing Sector*

Policy Recommendations

- ✓ Congress should pass legislation that would require congressional approval before any major regulation takes effect.
- ✓ Congress should pass legislation to require more transparent rules, sound cost-benefit and scientific data, and better judicial review.
- ✓ Congress should pass legislation that requires regulatory agencies to consider economic impacts of proposed, new, or updated rules.
- ✓ EPA should be required to analyze the cumulative costs of interrelated rules and regulatory proposals.
- ✓ EPA should be required to eliminate its recent practice of comparing cumulative "co-benefits" likely to be realized outside of a rule to confined costs of that rule. Further, the agency should avoid issuing redundant rules.
- ✓ EPA must conform to the requirements of the Information Quality Act.
- ✓ Congress should revise the New Source Review provisions of the Clean Air Act.
- ✓ Congress should pass legislation to prevent regulatory abuse like Sue and Settle Rulemaking by special interests and their allies in government.
- ✓ Parties litigating against approved energy projects should be required to post a bond to compensate the developer for delay costs if the challenge fails.
- ✓ Congress should amend NEPA to provide appropriate energy project categorical exclusions and to ensure reviews are completed within two years.

Minimizing Regulatory Burdens and Abuses

Growing regulatory overreach and compliance burdens are harming American businesses and delaying investments in infrastructure, depriving the economy of capital and jobs when they are both sorely needed. Federal regulations have increased in number, scope, and cost, and all too often are a “solution in search of a problem.” New rules should minimize costs and burdens to America’s communities, businesses, and economy. This means we need to:

- ✔ Ensure that federal agencies are obeying the letter of the law and using the best available data when crafting new regulations.
- ✔ Eliminate harmful practices like “sue and settle” whereby the EPA develops regulations to settle a lawsuit by an environmental group outside of the rulemaking process and the view of the public.
- ✔ Rein in the scope, scale, and number of new regulations from federal agencies, which have grown rapidly in recent decades.
- ✔ Ensure that necessary regulations are crafted in the best way possible to avoid unintended consequences and to reduce compliance costs and burdens.

Parties litigating against approved energy projects should be required to post a bond to compensate the developer for delay costs if the challenge fails.

Want to know more about regulatory reform?
Read the full report, [Energy Works for US](#).



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Data referenced from the following sources: U.S. Energy Information Administration; U.S. Small Business Administration Office of Advocacy, *The Impact of Regulatory Costs to Small Firms 2011*; NERA Economic Consulting, *Macroeconomic Impacts of Federal Regulation of the Manufacturing Sector*

THE COMPREHENSIVE
COST OF COMPLYING
WITH FEDERAL REGULATIONS
IN 2011 WAS

1.82
TRILLION.

THE AVERAGE NUMBER OF
MAJOR FEDERAL REGULATIONS
HAS GROWN FROM 36 A YEAR
IN THE 1990S, TO MORE THAN

72

A YEAR SINCE 2008.

IN 2012, THE CUMULATIVE
COST OF MAJOR REGULATIONS
ON MANUFACTURING WAS
BETWEEN

\$240 BILLION

AND

\$630 BILLION.