To provide for the establishment of a committee to assess the effects of certain Federal regulatory mandates.

IN THE SENATE OF THE UNITED STATES

MARCH 17, 2011

Mr. INHOFE (for himself and Mr. JOHANNES) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To provide for the establishment of a committee to assess the effects of certain Federal regulatory mandates.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Comprehensive Assessment of Regulations on the Economy Act of 2011”.

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Environmental Protection Agency.
(2) COMMITTEE.—The term “Committee” means the Cumulative Regulatory Assessment Committee established by section 3(a).

(3) FEDERAL REGULATORY MANDATE.—The term “Federal regulatory mandate” means any regulation, rule, requirement, or interpretative guidance that—

(A) is promulgated or issued (or is expected to be initiated) by the Administrator or a State or local government during the period beginning on January 1, 2010, and ending on January 1, 2020;

(B) applies to 1 or more impacted units; and

(C) implements any provision or requirement relating to—

(i) interstate or international transport of air pollution under section 110(a)(2)(D), 115, or 126(b) of the Clean Air Act (42 U.S.C. 7410(a)(2)(D), 7415, 7426(b)) with respect to any national ambient air quality standard, including—

(I) any standard that has been promulgated or proposed before July 1, 2011; and
(II) any new or revised standard for ozone or fine particulate matter that, as of the date of enactment of this Act, is currently under review or development by the Administrator; and

(ii) the attainment, or maintenance of attainment, of any national ambient air quality standard, including—

(I) any new or revised standard for ozone or fine particulate matter that, as of the date of enactment of this Act, is currently under review or development by the Administrator; and

(II) any other standard that has been promulgated or proposed before July 1, 2011;

(iii) new source performance standards under section 111 of the Clean Air Act (42 U.S.C. 7411), including any standards under subsection (d) of that section;

(iv) hazardous air pollutants under section 112 of the Clean Air Act (42 U.S.C. 7412);
(v) greenhouse gas emissions under titles I, II, and V of the Clean Air Act (42 U.S.C. 7401 et seq.), including the requirements for—

(I) new source performance standards under section 111 of the Clean Air Act (42 U.S.C. 7411), including any standards under subsection (d) of that section; and

(II) preconstruction review permits under section 165 of the Clean Air Act (42 U.S.C. 7475);

(vi) cooling water intake structures under section 316(b) of the Clean Water Act (33 U.S.C. 1326(b));

(vii) effluent guidelines for regulating the discharge of pollutants under section 304 of the Clean Water Act (33 U.S.C. 1314);

(viii) the handling and disposal of coal combustion residuals under subtitle C or D of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.);
(ix) the regulation of fuels under title II of the Clean Air Act (42 U.S.C. 7521 et seq.);

(x) regional haze or reasonably attributable visibility impairment under section 169A or section 169B of the Clean Air Act (42 U.S.C. 7491, 7492); and

(xi) any other environmental regulations expected to have a significant impact on the electric power sector, the petroleum refining sector, the petrochemical production sector, pipeline facilities regulated by the Department of Transportation or the Environmental Protection Agency, exploration, production, or transportation of oil and natural gas, or any other manufacturing sector.

(4) IMPACTED UNIT.—The term “impacted unit” means—

(A) any electric generating unit that sells electricity into the grid;

(B) any industrial, commercial, or institutional boiler or process heater;
(C) any petroleum refining facility that produces gasoline, heating oil, diesel fuel, jet fuel, kerosene, or petrochemical feedstocks;

(D) any petrochemical facility;

(E) any hydrocarbon exploration, extraction, manufacturing, production, or transportation facility; or

(F) any biofuel facility.

SEC. 3. CUMULATIVE REGULATORY ASSESSMENT COMMITTEE.

(a) ESTABLISHMENT.—There is established within the Department of Commerce a Committee, to be known as the “Cumulative Regulatory Assessment Committee”.

(b) COMPOSITION OF COMMITTEE.—The Committee shall consist of the following officials (or designees of the officials):

(1) The Secretary of Agriculture.

(2) The Secretary of Commerce.

(3) The Secretary of Defense.

(4) The Chairperson of the Council of Economic Advisers.

(5) The Secretary of Energy.

(6) The Administrator.

(8) The Secretary of Labor.
(9) The Administrator of the Office of Information and Regulatory Affairs.
(10) The President and Chief Executive Officer of the North American Electric Reliability Corporation.

(e) LEADERSHIP; OPERATIONS.—The Secretary of Commerce shall—
(1) serve as the Chairperson of the Committee; and
(2) be responsible for the executive and administrative operation of the Committee.

(d) IDENTIFICATION OF FEDERAL REGULATORY MANDATES.—Not later than 30 days after the date of enactment of this Act, the Administrator shall provide to the Committee a list of Federal regulatory mandates.

(e) DUTIES.—
(1) ASSESSMENT.—
(A) IN GENERAL.—The Committee shall perform an assessment of the cumulative energy and economic impacts of the Federal regulatory mandates in accordance with this subsection,
including direct, indirect, quantifiable, and qualitative effects on—

(i) employment, including job levels in each segment of the economy and each region of the United States, including coal-producing regions;

(ii) economic development, including production levels and labor demands in manufacturing, commercial, and other sectors of the economy;

(iii) the electric power sector, including potential impacts on electric reliability, energy security, and retail electricity rates;

(iv) the domestic refining and petrochemical sector, including potential impacts on supply, international competitiveness, wholesale and retail transportation fuels, and heating oil and petrochemical prices;

(v) State and local governments, including potential impacts on governmental operations and local communities from any reductions in State and local tax revenues;

(vi) small businesses (as defined in section 601 of title 5, United States Code),
including economic and regulatory impacts that could force the shutdown or limit the growth of small businesses;

(vii) agriculture, including economic and regulatory impacts that could force the shutdown, or limit growth or productive capacity, of the agricultural industry in the United States, including the domestic fertilizer manufacturing industry; and

(viii) energy-intensive, trade-exposed industry (as defined in North American Industry Classification System codes 31, 32, and 33) (including the beneficiation or processing (including agglomeration) of metal ores (including iron and copper ores), soda ash, or phosphate, petroleum refining, and petrochemicals production), including economic and regulatory impacts that could force the shutdown, or limit growth of productive capacity, of the United States manufacturing industry.

(B) COMPREHENSIVE ANALYSIS.—The assessment shall include a comprehensive analysis, for the period beginning on January 1,
2012, and ending on December 31, 2025, of the following matters:

(i) The impacted units that would likely retire due to the cumulative compliance costs of the Federal regulatory mandates.

(ii) The amount by which average retail electricity prices are forecasted to increase above inflation as a result of—

(I) the cumulative compliance costs of the Federal regulatory mandates;

(II) the retirement of electric generating units that are impacted units described in clause (i); and

(III) other direct and indirect impacts that are expected to result from the cumulative compliance obligations of the Federal regulatory mandates.

(iii) The amount by which average retail transportation fuel and heating oil prices are forecasted to increase above inflation as a result of—
(I) the cumulative compliance costs of the Federal regulatory mandates;

(II) the retirement or closure of domestic refineries that are impacted units described in clause (i);

(III) the likely foreign-sourced replacement for the transportation fuels and heating oil supplies loss caused by the retirements or closures identified under subclause (II); and

(IV) other direct and indirect impacts that are expected to result from the cumulative compliance obligations of the Federal regulatory mandates.

(iv) The amount by which average petrochemical prices are forecasted to increase above inflation as a result of—

(I) the cumulative compliance costs of the Federal regulatory mandates;

(II) the retirement or closure of domestic petrochemical facilities that are impacted units described in clause (i);
(III) the likely foreign-sourced replacement for the petrochemical supplies loss caused by the retirements or closures identified under subclause (II); and

(IV) other direct and indirect impacts that are expected to result from the cumulative compliance obligations of the Federal regulatory mandates.

(v) The direct and indirect adverse impacts on the economies of local communities that are projected to result from the retirement of impacted units described in clause (i) and increased retail electricity, transportation fuels, heating oil, and petrochemical prices that are forecasted under clause (ii), including—

(I) loss of jobs, including jobs that would be lost that relate directly or indirectly to coal production or petroleum refining;

(II) reduction in State and local tax revenues;

(III) harm to small businesses;

(IV) harm to consumers;
(V) reduction in—

(aa) the production and use

of coal; and

(bb) the domestic production

of transportation fuels, heating

oil, and petrochemicals in the

United States; and

(VI) other resulting adverse eco-

nomic or energy impacts.

(vi) The extent to which the direct

and indirect adverse economic impacts

identified under clause (v) can be miti-
gated through the creation of additional

jobs and new economic growth as a result

of renewable energy projects, energy effi-

ciency measures, and other such energy

construction projects that are projected to

be undertaken in order to meet future en-

ergy demands.

(vii) The cumulative effects of Federal

regulatory mandates on the ability of in-
dustries and businesses in the United

States to compete with industries and busi-
nesses in other countries, with respect to
competitiveness in both domestic and foreign markets.

(viii) The regions of the United States that are forecasted to be—

(I) most affected from the direct and indirect adverse impacts from the retirement of impacted units and increased retail electricity, transportation fuels, heating oil, and petrochemicals price, as identified under clause (v); and

(II) least affected from such adverse impacts due to the creation of new jobs and economic growth that are expected to result directly and indirectly from the energy construction projects, as identified under clause (vi).

(ix) The cumulative effects of the Federal regulatory mandates on the electric power sector, including—

(I) adverse impacts on electric reliability that are expected to result from the retirement of electric generating units identified under clause (i);
(II) the geographical distribution of the projected adverse electric reliability impacts identified in subclause (I), according to the regions established by North American Electric Reliability Corporation; and

(III) an assessment of whether current plans to expand electricity generation and transmission capabilities for each particular region can be optimized to mitigate those projected adverse reliability impacts.

(x) Federal, State, and local policies that have been or will be implemented to foster a transition in energy infrastructure in the United States, including those policies that promote fuel diversity, affordable and reliable electricity, and energy security.

(2) CONSULTATION WITH STATE AND LOCAL GOVERNMENTS.—The Committee shall consult with representatives of State and local governments—

(A) to identify potential adverse cumulative impacts of the Federal regulatory mandates that have unique or significant repercussions
for each particular region of the United States;

and

(B) to investigate opportunities and strategies for mitigating the adverse impacts and repercussions identified under subparagraph (A).

(3) METHODOLOGY.—The Committee shall—

(A) use the best available information and peer-reviewed economic models in performing the cumulative regulatory impact assessment under this subsection; and

(B) seek public comment on the cost, energy, and other modeling assumptions used in performing the assessment.

(4) PUBLIC NOTICE AND COMMENT.—The Committee shall provide public notice and the opportunity for comment on a draft cumulative regulatory impact assessment to be prepared under this subsection.

(5) REPORT TO CONGRESS AND STATES.—Not later than January 1, 2012, the Committee shall submit to Congress and the Governor of each State a detailed report of the cumulative assessment performed under this subsection.
SEC. 4. SAVINGS CLAUSE.

Nothing in this Act confirms, modifies, or otherwise affects the statutory authority for adopting and implementing the Federal regulatory mandates.