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Union Calendar No. 170

113TH CONGRESS
1ST SESSION

H. R. 1493

[Report No. 113–230]

To impose certain limitations on consent decrees and settlement agreements by agencies that require the agencies to take regulatory action in accordance with the terms thereof, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 2013

Mr. COLLINS of Georgia (for himself, Mr. WESTMORELAND, Mr. FRANKS of Arizona, Mr. BISHOP of Utah, Mr. CRAMER, Mr. HOLDING, Mrs. ELLMERS, Mr. YOHO, Mr. STUTZMAN, Mr. SOUTHERLAND, Mr. PERRY, Mr. BACHUS, Mr. COBLE, Mr. GARDNER, Mr. GRAVES of Georgia, Mr. MEADOWS, Mr. GOWDY, Mr. GOHMERT, Mr. BENTIVOLIO, Mr. WENSTRUP, Mr. PRICE of Georgia, Mr. GINGREY of Georgia, Mr. BROUN of Georgia, Mr. DAINES, and Mr. KINGSTON) introduced the following bill; which was referred to the Committee on the Judiciary

SEPTEMBER 26, 2013

Additional sponsors: Mr. FARENTHOLD, Mr. LATTA, Mr. ROKITA, Mrs. CAPITO, Mr. ISSA, Mr. NUNNELEE, and Mr. SMITH of Missouri

SEPTEMBER 26, 2013

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To impose certain limitations on consent decrees and settlement agreements by agencies that require the agencies to take regulatory action in accordance with the terms thereof, and for other purposes.

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 ''Sunshine for Regulatory Decrees and Settlements Act of 2013''.

SEC. 2. DEFINITIONS.

In this Act—

(1) the terms ''agency'' and ''agency action'' have the meanings given those terms under section 551 of title 5, United States Code;

(2) the term ''covered civil action'' means a civil action—

(A) seeking to compel agency action;

(B) alleging that the agency is unlawfully withholding or unreasonably delaying an agency action relating to a regulatory action that would affect the rights of—

(i) private persons other than the person bringing the action; or

(ii) a State, local, or tribal government; and

(C) brought under—

(i) chapter 7 of title 5, United States Code; or

(ii) any other statute authorizing such an action;

(3) the term ''covered consent decree'' means—

(A) a consent decree entered into in a covered civil action; and

(B) any other consent decree that requires agency action relating to a regulatory action that affects the rights of—

(i) private persons other than the person bringing the action; or

(ii) a State, local, or tribal government;

(4) the term ''covered consent decree or settlement agreement'' means a covered consent decree and a covered settlement agreement; and

(5) the term ''covered settlement agreement'' means—

(A) a settlement agreement entered into in a covered civil action; and

(B) any other settlement agreement that requires agency action relating to a regulatory action that affects the rights of—

(i) private persons other than the person bringing the action; or

(ii) a State, local, or tribal government.

SEC. 3. CONSENT DECREE AND SETTLEMENT REFORM.

(a) PLEADINGS AND PRELIMINARY MATTERS.—

(1) IN GENERAL.—In any covered civil action, the agency against which the covered civil action is brought shall publish the notice of intent to sue and the complaint in a readily accessible manner, including by making the notice of intent to sue and the complaint available online not later than 15 days after receiving service of the notice of intent to sue or complaint, respectively.

(2) ENTRY OF A COVERED CONSENT DECREE OR SETTLEMENT AGREEMENT.—A party may not make a motion for entry of a covered consent decree or to dismiss a civil action pursuant to a covered settlement agreement until after the end of proceedings in accordance with paragraph (1) and subparagraphs (A) and (B) of paragraph (2) of subsection (d) or subsection (d)(3)(A), whichever is later.

(b) INTERVENTION.—

(1) REBUTTABLE PRESUMPTION.—In considering a motion to intervene in a covered civil action or a civil action in which a covered consent decree or settlement agreement has been proposed that is

filed by a person who alleges that the agency action in dispute would affect the person, the court shall presume, subject to rebuttal, that the interests of the person would not be represented adequately by the existing parties to the action.

(2) STATE, LOCAL, AND TRIBAL GOVERNMENTS.—In considering a motion to intervene in a covered civil action or a civil action in which a covered consent decree or settlement agreement has been proposed that is filed by a State, local, or tribal government, the court shall take due account of whether the movant—

(A) administers jointly with an agency that is a defendant in the action the statutory provisions that give rise to the regulatory action to which the action relates; or

(B) administers an authority under State, local, or tribal law that would be preempted by the regulatory action to which the action relates.

(c) SETTLEMENT NEGOTIATIONS.—Efforts to settle a covered civil action or otherwise reach an agreement on a covered consent decree or settlement agreement shall—

(1) be conducted pursuant to the mediation or alternative dispute resolution program of the court

or by a district judge other than the presiding judge, magistrate judge, or special master, as determined appropriate by the presiding judge; and

(2) include any party that intervenes in the action.

(d) PUBLICATION OF AND COMMENT ON COVERED CONSENT DECREES OR SETTLEMENT AGREEMENTS.—

(1) IN GENERAL.—Not later than 60 days before the date on which a covered consent decree or settlement agreement is filed with a court, the agency seeking to enter the covered consent decree or settlement agreement shall publish in the Federal Register and online—

(A) the proposed covered consent decree or settlement agreement; and

(B) a statement providing—

(i) the statutory basis for the covered consent decree or settlement agreement; and

(ii) a description of the terms of the covered consent decree or settlement agreement, including whether it provides for the award of attorneys' fees or costs and, if so, the basis for including the award.

(2) PUBLIC COMMENT.—

(A) IN GENERAL.—An agency seeking to enter a covered consent decree or settlement agreement shall accept public comment during the period described in paragraph (1) on any issue relating to the matters alleged in the complaint in the applicable civil action or addressed or affected by the proposed covered consent decree or settlement agreement.

(B) RESPONSE TO COMMENTS.—An agency shall respond to any comment received under subparagraph (A).

(C) SUBMISSIONS TO COURT.—When moving that the court enter a proposed covered consent decree or settlement agreement or for dismissal pursuant to a proposed covered consent decree or settlement agreement, an agency shall—

(i) inform the court of the statutory basis for the proposed covered consent decree or settlement agreement and its terms;

(ii) submit to the court a summary of the comments received under subparagraph (A) and the response of the agency to the comments;

(iii) submit to the court a certified index of the administrative record of the notice and comment proceeding; and

(iv) make the administrative record described in clause (iii) fully accessible to the court.

(D) INCLUSION IN RECORD.—The court shall include in the court record for a civil action the certified index of the administrative record submitted by an agency under subparagraph (C)(iii) and any documents listed in the index which any party or amicus curiae appearing before the court in the action submits to the court.

(3) PUBLIC HEARINGS PERMITTED.—

(A) IN GENERAL.—After providing notice in the Federal Register and online, an agency may hold a public hearing regarding whether to enter into a proposed covered consent decree or settlement agreement.

(B) RECORD.—If an agency holds a public hearing under subparagraph (A)—

(i) the agency shall—

(I) submit to the court a summary of the proceedings;

(II) submit to the court a certified index of the hearing record; and

(III) provide access to the hearing record to the court; and

(ii) the full hearing record shall be included in the court record.

(4) MANDATORY DEADLINES.—If a proposed covered consent decree or settlement agreement requires an agency action by a date certain, the agency shall, when moving for entry of the covered consent decree or settlement agreement or dismissal based on the covered consent decree or settlement agreement, inform the court of—

(A) any required regulatory action the agency has not taken that the covered consent decree or settlement agreement does not address;

(B) how the covered consent decree or settlement agreement, if approved, would affect the discharge of the duties described in subparagraph (A); and

(C) why the effects of the covered consent decree or settlement agreement on the manner in which the agency discharges its duties is in the public interest.

(e) SUBMISSION BY THE GOVERNMENT.—

(1) IN GENERAL.—For any proposed covered consent decree or settlement agreement that contains a term described in paragraph (2), the Attorney General or, if the matter is being litigated independently by an agency, the head of the agency shall submit to the court a certification that the Attorney General or head of the agency approves the proposed covered consent decree or settlement agreement. The Attorney General or head of the agency shall personally sign any certification submitted under this paragraph.

(2) TERMS.—A term described in this paragraph is—

(A) in the case of a covered consent decree, a term that—

(i) converts into a nondiscretionary duty a discretionary authority of an agency to propose, promulgate, revise, or amend regulations;

(ii) commits an agency to expend funds that have not been appropriated and that have not been budgeted for the regulatory action in question;

(iii) commits an agency to seek a particular appropriation or budget authorization;

(iv) divests an agency of discretion committed to the agency by statute or the Constitution of the United States, without regard to whether the discretion was granted to respond to changing circumstances, to make policy or managerial choices, or to protect the rights of third parties; or

(v) otherwise affords relief that the court could not enter under its own authority upon a final judgment in the civil action; or

(B) in the case of a covered settlement agreement, a term—

(i) that provides a remedy for a failure by the agency to comply with the terms of the covered settlement agreement other than the revival of the civil action resolved by the covered settlement agreement; and

(ii) that—

(I) interferes with the authority of an agency to revise, amend, or issue rules under the procedures set forth in chapter 5 of title 5, United States Code, or any other statute or Executive order prescribing rulemaking procedures for a rulemaking that is the subject of the covered settlement agreement;

(II) commits the agency to expend funds that have not been appropriated and that have not been budgeted for the regulatory action in question; or

(III) for such a covered settlement agreement that commits the agency to exercise in a particular way discretion which was committed to the agency by statute or the Constitution of the United States to respond to changing circumstances, to make policy or managerial choices, or to protect the rights of third parties.

(f) REVIEW BY COURT.—

(1) AMICUS.—A court considering a proposed covered consent decree or settlement agreement shall presume, subject to rebuttal, that it is proper to allow amicus participation relating to the covered consent decree or settlement agreement by any person who filed public comments or participated in a public hearing on the covered consent decree or settlement agreement under paragraph (2) or (3) of subsection (d).

(2) REVIEW OF DEADLINES.—

(A) PROPOSED COVERED CONSENT DECREES.—For a proposed covered consent decree, a court shall not approve the covered consent decree unless the proposed covered consent decree allows sufficient time and incorporates adequate procedures for the agency to comply with chapter 5 of title 5, United States Code, and other applicable statutes that govern rulemaking and, unless contrary to the public interest, the provisions of any Executive order that governs rulemaking.

(B) PROPOSED COVERED SETTLEMENT AGREEMENTS.—For a proposed covered settlement agreement, a court shall ensure that the covered settlement agreement allows sufficient

time and incorporates adequate procedures for the agency to comply with chapter 5 of title 5, United States Code, and other applicable statutes that govern rulemaking and, unless contrary to the public interest, the provisions of any Executive order that governs rulemaking.

(g) ANNUAL REPORTS.—Each agency shall submit to Congress an annual report that, for the year covered by the report, includes—

(1) the number, identity, and content of covered civil actions brought against and covered consent decrees or settlement agreements entered against or into by the agency; and

(2) a description of the statutory basis for—

(A) each covered consent decree or settlement agreement entered against or into by the agency; and

(B) any award of attorneys fees or costs in a civil action resolved by a covered consent decree or settlement agreement entered against or into by the agency.

SEC. 4. MOTIONS TO MODIFY CONSENT DECREES.

If an agency moves a court to modify a covered consent decree or settlement agreement and the basis of the motion is that the terms of the covered consent decree or

settlement agreement are no longer fully in the public interest due to the obligations of the agency to fulfill other duties or due to changed facts and circumstances, the court shall review the motion and the covered consent decree or settlement agreement de novo.

SEC. 5. EFFECTIVE DATE.

This Act shall apply to—

(1) any covered civil action filed on or after the date of enactment of this Act; and

(2) any covered consent decree or settlement agreement proposed to a court on or after the date of enactment of this Act.

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