

Rounds' Opening Statement as Prepared for Delivery:

The Environment and Public Works Subcommittee on Superfund, Waste Management, and Regulatory Oversight is meeting today to conduct a hearing on "Oversight of Regulatory Impact Analyses for U.S. Environmental Protection Agency Regulations."

Since President Obama took office in January 2009, the EPA has issued more than 3,300 new final regulations. These regulations impact every U.S. citizen and every U.S. industry – from agriculture to domestic manufacturing and energy production - industries that provide jobs for millions of Americans.

Unfortunately, it is those same Americans who shoulder the burden of these broad, overreaching EPA regulations. According to the Office of Management and Budget, over the last ten years, EPA regulations have imposed an estimated \$42 billion in annual costs on this country – costs paid for by American taxpayers and businesses.

In this Congress, the Environment and Public Works Committee has taken a pointed look at the various regulations being promulgated by the EPA, such as WOTUS and the Clean Power Plan. Further, this subcommittee has specifically looked at the science used by the EPA in their rulemaking process and the impact that lawsuits have on the regulatory process.

Today we are taking a step back to analyze the EPA's rulemaking process as a whole. Our witnesses today will testify to the systematic issues and concerns they are continually seeing in EPA's regulatory process.

The EPA routinely fails to fully monetize the costs versus the benefits of their regulations, imposes unfunded mandates onto state and local governments, ignores the impacts of regulations on small businesses and over-relies on ancillary benefits to justify their regulations.

The EPA is required to conduct Regulatory Impact Analyses, commonly known as RIAs, of their regulations to provide both the public and the agencies with accurate information on the costs and benefits of proposed regulations. However, a July 2014 report by the independent Government Accountability Office (GAO) found the EPA failed to conduct a clear, thorough and accurate analysis of the cost and benefits of, or alternatives to, major regulatory actions. Notably, the GAO concluded that "EPA has not fulfilled its responsibility to provide the public with a clear explanation of the economic information supporting its decision making..."

As a result, EPA regulations that cost the U.S. economy, small businesses and American taxpayers billions of dollars are being made by Washington bureaucrats who, rather than conducting a thorough, accurate and public analysis of the impacts these regulations will have, are simply rubber-stamping major regulations that drastically reshape segments of the U.S. economy. This impacts American businesses ability to do business on a daily basis, to compete globally, and employ Americans in steady, well-paying jobs.

The EPA is also imposing unfunded mandates on states and local governments at an increasing rate. Often, these regulations are finalized with little input by the affected states and local governments, yet these entities are required to use their limited funds and increasingly tight budgets to comply with these new federal regulations. Furthermore, the EPA's failure to use accurate information to monetize the cost of these regulations provides the states with little guidance or ability to estimate the compliance costs of regulations.

In October, in its last decision of the term, the Supreme Court ruled in [*Michigan v. EPA*](#), that the U.S. Environmental Protection Agency unreasonably failed to consider costs when deciding to regulate mercury emissions from power plants.

Because of these exorbitant regulatory costs, the EPA has attempted to justify their air regulations by identifying ancillary benefits, which the EPA refers to as "co-benefits" to help outweigh the cost of the regulations. These co-benefits allow the administration to claim a dramatic increase in the net benefits of EPA regulations, regardless of the cost of the regulation.

Everybody desires clean air and clean water, but we have to ask whether there is a better way to achieve it without imposing burdensome regulations in which the costs outweigh the benefits.

Due to the EPA's failure to clearly and accurately quantify the costs and benefits of regulations, agencies are unable to make well-informed decisions. Even more troubling, the public, American businesses and state and local governments are prevented from understanding the real impact of the regulation and meaningfully participating in the rulemaking process.

I'd like to thank our witnesses for being with us here today and I look forward to hearing your testimony.