Written by **William P. Hoar** on February 16, 2015
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# Correction, Please!

## Feds Regulate the Emissions of Others

**Problem:** Natural gas is burned — flared — when oil wells are drilled away from natural gas pipes or, as is commonly the case, when the pipes are at full capacity. Both the oil industry and states with oil are trying to end the waste, but the federal government is going to regulate it anyway. *(Photo credit: AP Images)*

**Item:** *The* New York Times *for January 14, 2015, reported: "In President Obama's latest move using executive authority to tackle climate change, White House officials on Wednesday announced plans to impose new regulations on the oil and gas industry's emissions of methane, a powerful greenhouse gas. The administration's goal is to cut methane emissions from oil and gas production by up to 45 percent by 2025 from the levels recorded in 2012.*

*As the* Times *noted, the "Environmental Protection Agency will issue the proposed regulations this summer, and final regulations by 2016."*

**Item:** *Other regulatory developments involve regulations dealing with carbon dioxide. The Obama administration, reported the Associated Press on January 7, 2015, said that "it would delay for months a final rule to control carbon dioxide emissions at new coal-fired power plants, thwarting for now one way the Republican-controlled Congress could have blocked the administration's plans on global warming."*

**Item:** *The website for Climate Progress published a piece about an attempt to rein in federal regulators on January 14, 2015; the item is entitled "House Passes Bill To Make Everything Harder And Worse." Wrote Ari Phillips:*

> *The Regulatory Accountability Act (RAA), which the House passed on Tuesday, is ostensibly aimed at cutting costly regulations imposed by federal and independent agencies, but it would actually make it much more difficult to pass and enforce protective measures overseen by the government.*
>
> *"It is actually a stealth attack on all the various statutes Congress has passed over the last 40 years to protect public health environmental quality," according to Ronald White,*

> *director of Regulatory Policy at the Center for Effective Government.*

**Item:** The Hill, *a newspaper published in Washington, D.C., in an article dated January 12, 2015, reported that the president had threatened to veto the regulatory bill. The newspaper quoted a statement from the White House that asserted: The Regulatory Accountability Act would impose unprecedented and unnecessary procedural requirements on agencies," said the policy statement. "It would also create needless regulatory and legal uncertainty and further impede the implementation of protections for the American public."*

**Correction:** Well, isn't that quaint? The initiators of hundreds of thousands of pages of federal regulations apparently have a problem when required to deal with "unnecessary procedural requirements."

Join the club.

Still, you have to feel for the noble red-tape dispensers, one supposes. After all, it must be awkward for two-faced people to put their best face forward.

Key targets of the federal regulators these days include methane emissions and "carbon pollution" — the fashionable term employed to attack $CO_2$, also known as a colorless, odorless gas that is part of the atmosphere, is breathed out by animals (including humans), and is used by plants in photosynthesis.

This is not to say that emissions from, say, power plants, are risk-free. But also risky are the myriad and generally unconstitutional edicts imposed via regulations, rules, executive orders, and presidential "memoranda." The restrictions inflicted by Washington are also, more often than not, counterproductive as well as being exceedingly expensive.

The coming federal assault on methane emissions, for instance, is likely to impair the recent progress made in energy production in the United States, say those who work in the field. Yet, the Environmental Protection Agency itself has recently noted that methane emissions from hydraulic fracturing in this country have fallen by 73 percent since 2011.

Even without the regulatory equivalent of cattle-prodding, producers have been bringing down the emission levels. Why? It's self-interest at work when markets are allowed to operate. This economic fact of life was commented upon as far back as 1759 by Adam Smith, who famously observed: "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest."

A 2014 University of Texas study, backed by the Environmental Defense Fund, a left-wing advocacy group, concluded that methane emissions were 10 percent lower than when measured by the same research team the year before.

The White House doesn't even pretend to know how much the fresh rules would cost; it's so much easier to just have the Environmental Protection Agency and other federal entities demand a reduction of methane emissions of up to 45 percent. Yet, consider what is already taking place. As noted by Jack Gerard, the president and CEO of the American Petroleum Institute:

> As oil and natural gas production has risen dramatically, methane emissions have fallen thanks to industry leadership and investment in new technologies. And even with that

> knowledge, the White House has singled out oil and natural gas for regulation, where methane emissions represent only two percent of total greenhouse gas emissions.
>
> Emissions will continue to fall as operators innovate and find new ways to capture and deliver more methane to consumers, and existing EPA and state regulations are working. Another layer of burdensome requirements could actually slow down industry progress to reduce methane emissions.

The president of the Institute for Energy Research — no fan of the Obama administration's "climate change" campaign and other environmental positions — comes to a similar conclusion, saying: "EPA's proposed methane regulation is redundant, costly and unnecessary." As IER's Thomas Pyle has commented: "Energy producers are already reducing methane emissions because methane is a valuable commodity. It would be like issuing regulations forcing ice cream makers to spill less ice cream."

As is typical, the "mainstream" media tried to make the administration's position seem "centrist." Of course, as the campaign continues, the "center" gets moved leftward.

The *Los Angeles Times*, for instance, took note of complaints from what it called "climate change activists" with the Clean Air Task Force, "a group that has been lobbying the administration to target methane," for not immediately regulating existing oil and gas equipment nationwide and not "using the full range of powers under the Clean Air Act to cut these emissions."

But there are impacts of over-regulating that aren't always readily apparent. In many cases, the main effect has to do with what does *not* occur: development. How about the life-saving drugs that are not developed because bungling bureaucrats establish too many roadblocks? Ironically, some of the products that government regulations have stymied could have been used by the demonized oil and gas sector against toxic waste.

Stymied biotech advances is an area that concerns Henry I. Miller, a physician and molecular biologist who is a research fellow at Stanford University's Hoover Institution. In the *Wall Street Journal* on January 13, 2015, in an article entitled "Regulators Put the Brakes on Biotech," Miller discusses "biopharming." He observes, "Thanks to EPA's policies, which discriminate against organisms modified with the most precise and predictable techniques, the high hopes for genetically engineered 'biorational' microbial pesticides and microorganisms to clean up toxic wastes have evaporated." He also notes that the "once-promising biotechnology area that uses genetic engineering techniques to induce crops such as corn, tomatoes and tobacco to produce high concentrations of high-value pharmaceuticals (one of which is the Ebola drug, ZMapp) — is moribund because of the Agriculture Department's extraordinary regulatory burdens."

There is similar federal regulatory overkill taking place throughout the economy. In an attempt to take a step in the other direction, the House Republicans in the new Congress have again passed a regulatory relief measure (having been stopped from moving the bill any further during the last two years when the Democrats ran the Senate). One of the main sponsors of the Regulatory Accountability Act of 2015 is Representative Bob Goodlatte (R-Va.).

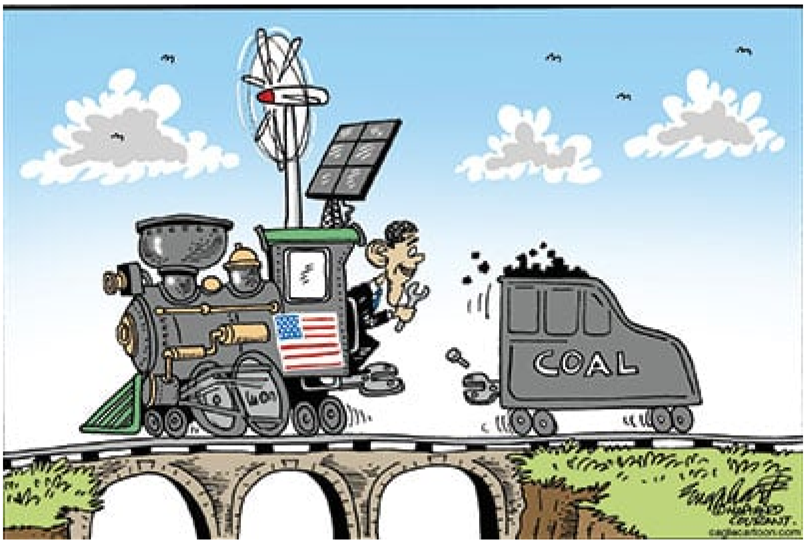
When he reintroduced the measure in early January, Goodlatte noted that Americans today "face a burden of over $3 trillion from federal taxation and regulation." He pointed out that the federal regulatory bill alone "is larger than the 2013 Gross Domestic Product of all but the top ten countries in the world."

One of the gladiators in the anti-regulatory arena is Wayne Crews of the Competitive Enterprise Institute. Each year Crews pulls together a report for CEI called "Ten Thousand Commandments: An Annual Snapshot of the Federal Regulatory State." In the 2014 version, as he noted in a piece for *Forbes* last summer, he calculated that "the cost of federal economic, environmental and health and safety regulation is around $1.86 trillion annually, based largely upon government data."

That is, he noted, "more than half the size of President Obama's recent $3.9 trillion federal budget proposal, and it's greater than the entire federal budget was back in the 1990s." The regulatory cost for the average household ($14,974) is "more than the average household spends on health care, food, transportation, entertainment, clothes — on everything except housing," said Crews.

Over the years, the Obama administration has managed to tote up more than 468,000 pages of rules in the *Federal Register*, the daily compendium of the proposed and final administrative regulations of federal agencies. There were 2,375 new rules still in the works at the end of the year set to be rolled out when the calendar turned to 2015, according to the calculations of Crews, CEI's vice president for policy. There were 79,066 pages printed in the *Federal Register* over the course of last year. Or, to be conservative, just 78,978 when the blank pages were not counted.

Regulatory emissions spew incessantly, with some 300 regulations being disgorged in the first week of this year alone.




All manner of human activity is covered, some of more significance than others. Much is outside the purview of a federal government acting properly within the strictures of the Constitution. A goodly number of outrageous regulatory actions that took place in 2014 were compiled by a pair of Heritage Foundation experts at the end of the year. Here are a few (as summarized by James Gattuso and Diane Katz) out of a much longer compilation:

> In its quest to replace cheap and reliable fossil fuels with costly and unreliable "renewables," the EPA in June unveiled new restrictions on so-called greenhouse gas emissions from existing power plants. These hugely expensive regulations are all the more maddening for accomplishing virtually nothing to affect the climate or protect human health....

> Woe to any business disfavored by the Department of Justice. Under "Operation Chokepoint," federal regulators have been leaning hard on banks to end ties with enterprises that the government doesn't like, including payday lenders, firearms dealers and credit repair services. These businesses are perfectly legal, but the DOJ's efforts to close them down are not….
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> New regulations on mortgage financing took effect in January, compliments of Dodd-Frank. Virtually every aspect of financing a home — including mortgage options, eligibility standards, and even the structure and schedule of payments — is now governed by the Consumer Finance Protection Bureau. Alas, critics' predictions about the restrictions are proving correct: Mortgage lending is running at its lowest level in 13 years, and 2014 will be the worst year for mortgage volume since 2000.

A final example (published by the online Daily Signal) is yet another instance of the government polluting the U.S. economy. The Heritage analysts pointed out that ozone levels "have dropped significantly during the past three decades, reflecting the overall improvement in air quality. Nonetheless, the Environmental Protection Agency has proposed more stringent ozone standards that would cost tens of billions of dollars, making it perhaps the most costly regulation ever imposed."

When the White House was trying to explain its rationale for the veto threat of the regulatory accountability legislation, it claimed that the measure would "undermine" the federal regulators with "unnecessary procedural steps that seem designed simply to impede the regulatory development process." Can you imagine the furious and indignant reaction if a company official dared to say that his firm didn't want to follow the directions of Congress because it would impede its business process?

At the same time, a spokesman for the White House laid out a presumptuous pronouncement about how there is a way "for us to take steps that are both good for the planet and good for the economy."

Here's another method to help that won't take thousands of pages: Get out of the way so businesses can get more orders from customers — and fewer from the federal government.