



Proposed EPA Sulfur Standard to Boost Gas Prices

Tighter restrictions <u>proposed</u> on sulfur content will add a penny or less to the retail price of a gallon of gasoline, according to the Obama administration, while the oil industry contends those same rules could hike prices at the pump as much as nine cents per gallon. The new regulations would reduce pollution by the equivalent of taking 33 million cars off the road, administration officials claim, while lowering healthcare costs by reducing incidents of respiratory illnesses caused in part by poor air quality.



While noting that the proposal by the federal Environmental Protection Agency is in "the proposal stage not in the final rulemaking stage," Deputy Presidential Press Secretary Josh Earnest cited research by the EPA when telling reporters that the impact on the price of gas would probably be a penny or less per gallon. The benefits, he said, would include "tens of thousands fewer cases of respiratory ailments like asthma in children and thousands of lives saved," according to the EPA analysis. The administration claimed the proposed standards would prevent as many as 2,400 deaths a year and save between \$8 billion to \$23 billion a year in health costs by 2030.

The American Petroleum Institute, representing oil companies, said the proposed rule would add to a "tsunami of federal regulations" and would ultimately raise greenhouse-gas emissions because of the energy-consuming equipment it would take to bring refineries into compliance.

"We urge the administration to bring common sense back into the regulatory process," said Bob Greco, director of the API's Downstream Group. "Unnecessary regulations just mean higher costs and lost jobs."

Regulations now limit sulfur content in gasoline to ten parts per million in smog-ridden California, but up to 30 parts per million in all other states. The new rule would impose the California standard on the entire nation. The lower limit is said to make catalytic converters in automobile exhaust systems more effective in reducing the emissions of particles that cause smog and soot. The EPA wants to reduce tailpipe emissions starting in 2017 by cutting certain smog-forming chemical compounds by 80 percent and harmful particulates by 70 percent, NBC News reported. Those restrictions could drive car prices up by an average of \$130 per vehicle, the EPA has estimated.

Car companies are reported to be behind the proposed lower standard for sulfur content, however, believing that a single nationwide standard will cut automobile production costs.

"The only ones against these standards are the oil companies," said Michael Brune, the executive director of the Sierra Club, one of the environmental groups backing the lower sulfur content rule.

House Republicans have expressed opposition to the proposed standard, however, and are promising to review it. Rep. Ed Whitfield (R-Ky.), who chairs the House subcommittee on Energy and Power, said the administration "cannot be more out of touch."

It is unclear, however, whether the proposed rule will come before the Congress for approval, or



Written by **Jack Kenny** on April 3, 2013



whether the EPA will impose it under its own authority as a regulation promulgated pursuant to some previous legislation. Many of the vast numbers of rules and regulations governing economic activity in America are promulgated by federal regulatory agencies without specific authorization by Congress. The edicts have been granted the "force of law," despite the provision of Article 1, Section 1 of the Constitution of the United States, which states: "All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives."

In recent decades, lawmaking has been increasingly undertaken by agencies, some of which have themselves been created by executive order. The EPA, for example, was created in July 1970 as "reorganization plan" of environmental agencies by executive order of President Richard M. Nixon. The plan was approved later that year by two congressional subcommittees, rather than by vote of the full House and Senate.

While the EPA is but one of a vast number of rulemaking agencies within the federal government, its myriad rules governing land use, water quality, and air pollution have contributed heavily to the more than 165,000 pages in the Code of Federal Regulations that have, in turn, led to the creation of thousands more pages of court documents from litigation over regulations that critics of the regulatory state claim hamstring the economy and undermine property rights.

The Small Business Administration has <u>estimated</u> federal regulations add \$1.75 trillion annually to the cost of doing business in the United States, nearly double what is collected in revenue from income taxes. But the greater danger to economic freedom and property rights may be in the restrictions put on property owners under a maze of environmental land and wetlands regulations, including those promulgated under the Endangered Species Act, passed by Congress in 1973. Columnist and *Fox Business Network* commentator John Stossel has <u>related</u> the unhappy story of a Louisiana builder whose plans for home and office construction were thwarted by enforcement of the Endangered Species Act.

Louisiana landowner Edward Poitevent wants to build homes and offices north of Lake Pontchartrain. He could provide safe high-ground housing to people eager to move away from areas that were flooded during Hurricane Katrina. But he is not allowed to build because the government decided 1,500 acres of his land should become a preservation area for a threatened species called the dusky gopher frog. None of these frogs currently live on his property. Poitevent told me, "The Fish and Wildlife Service has certified that the frog has not been seen in the state of Louisiana since 1967."

Before retiring from Congress last year, Rep. Geoff Davis (R-Ky.) proposed the <u>Regulations From the Executive in Need of Scrutiny (REINS) Act.</u> The law would require Congress to vote on a resolution to approve every major regulation proposed, with "major" meaning any that would have an economic impact of \$100 million or more. If the vote did not occur within 70 days, the proposed regulation would be denied.

The tendency of Congress, encouraged by presidents of both parties through several administrations, has long been to pass sweeping legislation and leave the "devils in the details" to the regulators, with American businesses, consumers, and property owners to suffer the ill effects. It may take an aroused citizenry to goad our members of Congress to take the REINS of regulation in hand and exert some control over runaway rule makers.





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