



How the EPA is Racking up Costs and Forcing the States to Pay

KIMBERLY VANWYHE, PATRICK HEFFLINGER | AUGUST 30, 2016

The Federal Aviation Administration's (FAA) new drone rules took effect on Monday and the agency has already granted 76 exemptions. FAA Administrator Michael Huerta stated the exemptions were only given to those who could prove the drone use was safe and had mitigation plans in place. The FAA does not intend to continue relying on the waiver process for long, Huerta said the FAA is already working on a new rule the agency hopes to release by the end of the year that will permit drone flights over crowds.

Presidential candidate Hillary Clinton recently called for a broadband plan where "every home in the U.S. is connected to broadband." While Clinton's plan sounds nice, it has left many scratching their heads as to how it will be paid for and how much it will cost. This is something Mrs. Clinton has yet to elaborate upon. According to Sharon Stover, director of the Technology and Information Policy Institute at the University of Texas at Austin, Clinton could have a hard time delivering on her promise as those who currently lack broadband access live in areas that will be logistically hard to connect or will be costly to connect. When asked about the cost of the plan, a Clinton campaign official said a study would need to be conducted to determine the cost. In June, the American Action Forum (@AAF) took a look at the technology and innovation plan Clinton announced and found it would cost \$281 billion.

Eakinomics: How the EPA is Racking up Costs and Forcing the States to Pay

The federal government covers only 28 percent of the funding that states need to comply with regulations imposed by the Environmental Protection Agency (EPA), according to a new report by the U.S. Chamber of Commerce. The report finds that the remaining funds that are needed to implement these mandates must be obtained from state appropriations or fees on regulated entities within each state. The regulatory burdens eventually fall to businesses and taxpayers.

In 2015 the EPA issued three costly regulations totaling over \$1.015 trillion, including:

- **Waters of the United States rule (WOTUS):** \$462.9 million.
- **The Clean Power Plan (CPP):** \$1 trillion.
- **The revised National Ambient Air Quality Standard (NAAQS):** \$15 billion

The Chamber report highlights that along with the outrageous price tags that come with these mandates, the EPA's regulations are dictating the market and hurting industry and U.S. taxpayers by:

- *Directing the energy fuel mix of the states under the Clean Power Plan rule;* putting one source of energy above another will create an unfair advantage and therefore distort the market. The CPP rule would require power plants to drastically reduce their emissions by more than 30% by 2050 which would require plants to switch from coal to other energy sources such as solar and wind which will drive up power costs

that will be passed to the end user. A previous study conducted by the [American Action Forum](#) found that the CPP would increase consumer electricity costs by a peak of 4 percent, and have a macroeconomic impact of reducing GDP by 0.15-0.25 percent from 2015-2040.

- *Assuming regulatory control over vast portions of the land mass of the United States under its Waters of the United States rule; WOTUS is an example of government overreach that will impact industries such as retail, agriculture and transportation.* For example, farmers fear that they will not be able to irrigate or spray for contaminants without a federal permit. These permits have hefty price tags and those burdens will be passed directly down to the consumer.
- *Determining where new projects and facilities can be built across the nation by determining which areas are in nonattainment under the new Ozone NAAQS regulations, thereby prohibiting the construction of new facilities or the expansion of existing ones.* A recent report found this could reduce U.S. GDP by approximately \$140 billion per year on average between 2017-2040, and 1.4 million jobs would be lost.

The EPA has been imposing costly rules on the industry which ultimately impact taxpayers. States should not have to shell out billions upon billions of dollars for programs and mandates that are forced upon them, nor should the U.S. taxpayer bear the cost. Policymakers should review the regulations issued by the EPA to ensure the mandates are transparent and comply with federal code as well as revamp any the laws that govern unfunded mandates.