



Week in Regulation

Climate Rule Spring Keeps Chugging Along

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Last week was a busy one in the pages of the Federal Register. There were 13 rulemakings with some quantified economic impact. One proposed rule, however, provided most of the week’s action. Coming just [one week](#) after the proposed rule on heavy-duty vehicle emissions, the Environment Protection Agency (EPA) officially published the companion set of standards for light- and medium-duty vehicles. Across all rulemakings, agencies published \$182 billion in total costs and added 1.8 million annual paperwork burden hours.

REGULATORY TOPLINES

- Proposed Rules: 55
- Final Rules: 37
- 2023 Total Pages: 29,483
- 2023 Final Rule Costs: \$45.4 billion
- 2023 Proposed Rule Costs: \$284.9 billion

NOTABLE REGULATORY ACTIONS

The most consequential rulemaking of the week was, of course, the [proposed rule](#) from EPA regarding “Multi-Pollutant Emissions Standards for Model Years [MY] 2027 and Later Light-Duty and Medium-Duty Vehicles.” The proposal marks the latest round of tailpipe emissions standards for essentially all personal vehicles in the country. In particular, EPA seeks an “industry-wide average target for the light-duty fleet of 82 grams/mile (g/mile) of CO₂ in MY 2032, representing a 56 percent reduction in projected fleet average GHG emissions target levels from the existing MY 2026 standards,” and an “average target of 275 grams/mile of CO₂ by MY 2032, which would represent a reduction of 44 percent compared to the current MY 2026 standards,” for “medium-duty vehicles” such as large vans and pick-up trucks. The agency estimates that meeting these targets would involve total “vehicle technology costs” of \$180 billion through 2055 – essentially the [same total cost figure](#) it arrived at for its 2021 rule establishing emissions standards for MY 2023–2026 vehicles.

This current proposal’s cost analysis does, however, include a novel dimension. In its analysis [here](#), EPA expects reductions in maintenance and repair costs (under the assumption that electric vehicles are inherently less expensive to maintain over the long-term) to eventually outweigh the upfront costs involved in updating the overall vehicle stock. By way of reference, the most substantive discussion of these dynamics across any aspect of the 2021 rule came in the following passage of EPA’s [Regulatory Impact Analysis](#) examining the “Effects on Lower-Income Households”:

Battery electric vehicles at this time have even higher new-vehicle costs and even lower operating and maintenance costs than ICEVs. The advent of increased market penetration of BEVs on lower-income households depends heavily both on how the new vehicle market responds to those two factors, and on the availability of charging infrastructure for those households. If EVs prove popular with new vehicle buyers, then the used vehicle market for EVs will have increased availability; if EVs are slow to enter the new vehicle market, then the used vehicle market will remain primarily ICEVs. In addition, the cost per mile of ride-sharing and ride-hailing services are likely to depend on the penetration of EVs into those fleets. With their higher use than personally owned vehicles, fleet vehicles may get up-front costs paid back more quickly via reduced operating costs and may be expected to pass some of the reduced operating costs to customers. Depending on the availability and cost of these services, lower-income households without vehicles may have increased access to transportation. Challenges arise with the availability of charging infrastructure for lower-income households: home charging, for instance, may not be feasible if multi-unit dwellings do not offer charging or do not offer sufficient charging access, or if people rely on-street parking. The availability of local, publicly available charging infrastructure may thus influence the decision on whether to purchase an EV. As a result, the penetration of EVs into lower-income neighborhoods may depend on public and private decisions over where to place charging infrastructure.

There is a case to be made that such economic effects fall more on the “benefits” side of the ledger. Therefore, for the purposes of RegRodeo, AAF is recording only the “vehicle technology costs” because that estimate represents the most comparable cost estimate to those we have recorded for past vehicle emissions standards.

TRACKING THE ADMINISTRATIONS

As we have already seen from [executive orders and memos](#), the Biden Administration will surely provide plenty of contrasts with the Trump Administration on the regulatory front. And while there is a general expectation that the current administration will seek to broadly restore Obama-esque regulatory actions, there will also be areas where it charts its own course. Since the AAF RegRodeo data extend back to 2005, it is possible to provide weekly updates on how the top-level trends of President Biden’s regulatory record track with those of his two most recent predecessors. The following table provides the cumulative totals of final rules containing some quantified economic impact from each administration through this point in their respective terms.

TRACKING THE ADMINISTRATIONS

REGULATORY ACTIVITY FROM INAUGURATION DAY TO MAY 5th (Year 3)

	FINAL RULES	FINAL RULE COSTS	PAPERWORK HOURS
BIDEN 2021	567	\$363.5B	220.7M
TRUMP 2017	640	\$6.1B	43.6M
OBAMA 2009	834	\$213.2B	137.2M

UPDATED: MAY 5th, 2023

AMERICANACTIONFORUM

With the major action of the week coming on the proposed rule side, there was minimal movement in the Biden Administration's final rule totals. In fact, the only final rule recorded was a relatively [minor rule](#) from the Federal Energy Regulatory Commission. For the other two administrations, the most significant shifts came from the Obama Administration with costs and paperwork increasing by \$413.5 million and 1.3 million hours, respectively. A [rule](#) on the "Interstate Shipment of Meat" provided most of those new costs while a pipeline safety [rule](#) provided the bulk of the paperwork.

THIS WEEK'S REGULATORY PICTURE

This week, the Federal Communications Commission (FCC) proposes further action on the caller ID front.



Source: Photo by [Lindsey LaMont](#) on [Unsplash](#)

Last Friday, the FCC's proposed rule regarding "Call Authentication Trust Anchor" officially hit the Federal Register. The proposal, which the agency formally adopted back in [March](#), represents FCC's sixth rulemaking

on the caller ID issue. The first round was published in 2020. This latest round, in particular, seeks “to strengthen and expand caller ID authentication requirements in the STIR/SHAKEN ecosystem by requiring non-gateway intermediate providers that receive unauthenticated calls directly from an originating provider to use STIR/SHAKEN to authenticate those calls.”

What does all that mean?

At the core of the matter is the STIR/SHAKEN framework. While it may sound like a reference to a certain fictional British spy’s drinking preferences, it is actually “a set of technical standards and protocols that enable providers to authenticate and verify caller ID information transmitted with Session Initiation Protocol (SIP) calls.” The two components are acronyms referring to the “Secure Telephony Identity Revisited (STIR)” and “Signature-based Handling of Asserted information using toKENs (SHAKEN),” respectively. The former is the working group established to develop caller ID protocols and the latter is the set of guidelines on “how the protocols produced by STIR are implemented across the industry.”

The STIR/SHAKEN framework involves two main components. The first deals with the purely mechanical process of transmitting the relevant caller ID data (such as number, caller designation, etc.) from the “originating voice service provider” (phone making the call) to the “terminating voice service provider” (phone receiving the call). The second establishes a process for third parties to verify the legitimacy of actors involved. To date, certain entities known as “intermediate providers” – defined as “any entity that carries or processes traffic that traverses or will traverse the public switched telephone network at any point insofar as that entity neither originates nor terminates that traffic” – were not necessarily required to fully engage in the STIR/SHAKEN system.

Under this proposal, “the first intermediate provider in the path of an unauthenticated SIP call will now be subject to a mandatory requirement to authenticate the call.” FCC frames this as a potential compromise. The agency had considered requiring *all* intermediate providers to engage in STIR/SHAKEN protocols. Based upon industry concerns over implementation costs, however, the FCC is taking this approach for now.

Interested parties have until June 5, 2023, to [submit comments](#).

TOTAL BURDENS

Since January 1, the federal government has published \$330.3 billion in total net costs (with \$45.4 billion in new costs from finalized rules) and 51.5 million hours of net annual paperwork burden increases (with 3.3 million hours in increases from final rules).

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Total Number of
Regulations
Finalized

58

Total Finalized Cost

\$45.4b

Paperwork Hours

3,294,875