

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

February 22, 2012

The Honorable Jacob Lew
Chief of Staff
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Chief of Staff Lew:

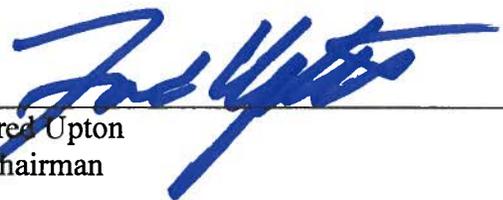
On December 21, 2011, the Environmental Protection Agency (EPA or Agency) released its Utility MACT rule, also known as the Mercury and Air Toxics Standards rule. EPA has estimated the total annual cost of this rule will be \$9.6 billion but does not provide the total costs of the rule. Although Members on the Committee on Energy and Commerce have requested that EPA provide a total cost estimate, the Agency to date has declined to provide such an estimate.

We write to ask that the Administration ensure that EPA provide an estimate of the total cost of this regulation. While EPA in its Regulatory Impact Analysis (RIA) accompanying the rule identifies annualized compliance costs for coal-fired generation to be \$9.4 billion in 2015, \$8.6 billion in 2020, and \$7.4 billion in 2030, this represents only three selected years and does not reflect the full costs, which the RIA reflects are amortized over a period of 30 to 40 years. The Committee has received expert testimony projecting that, for the capital costs alone, the rule will require the U.S. electricity sector to raise an estimated \$84 billion in additional capital investment before 2015, which would represent a 30 percent increase over project capital spending currently projected within that sector. As such, this will be the single most expensive EPA rule ever imposed on the electric utility sector and American ratepayers.

President Obama has committed to transparency and openness in government. Further, the President's Executive Order 13563 requires that agencies make available to the public the assessment of the costs anticipated from the regulatory action, such as the direct cost to businesses and others in complying with the regulation, as well as the underlying analysis. Similarly, Executive Order 12866 requires that "Each agency shall assess both the costs and the benefits of the intended regulation." In fact, Office of Management and Budget guidance recommends that regulatory analysis include an estimate of the total present value cost of the regulation.

Accordingly, and in light of the President's commitment to transparency, we urge the Administration to ensure that EPA comply with the President's Executive Order 13563 and provide the total cost of this regulation. Thank you in advance for your assistance. Should you have any questions, please contact Mary Neumayr of the Majority Committee staff at (202) 225-2927.

Sincerely,



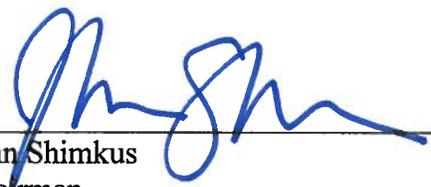
Fred Upton
Chairman



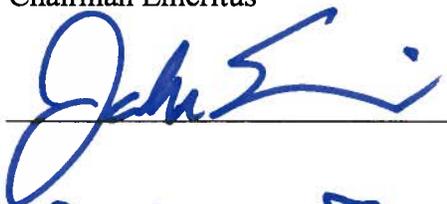
Ed Whitfield
Chairman
Subcommittee on Energy and Power



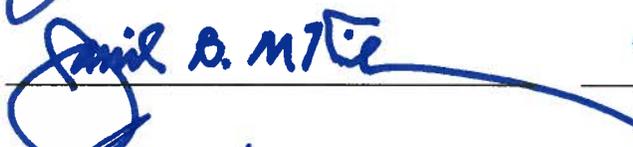
Joe Barton
Chairman Emeritus



John Shimkus
Chairman
Subcommittee on Environment and the Economy

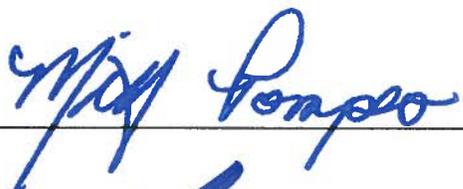




















cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Bobby L. Rush, Ranking Member
Subcommittee on Energy and Power

List of Signatories

Fred Upton
Joe Barton
John Sullivan
David McKinley
Cory Gardner
H. Morgan Griffith
Cathy McMorris Rodgers

Ed Whitfield
John Shimkus
Steve Scalise
Pete Olson
Mike Pompeo
Lee Terry
Michael C. Burgess