Function 300:

Natural Resources and Environment

Eliminate Funding for Development and Implementation of New Ozone Standards

#34

Heritage Recommendation:

Prohibit the Environmental Protection Agency (EPA) from using any appropriated funds to implement new ozone standards. This recommendation is in the form of a rider prohibiting any use of funds for this purpose, but does not presume lower spending by the EPA beyond other savings proposed elsewhere.

Rationale:

Making the standard any more stringent than the current 75 parts per billion (ppb) would impose significant and unnecessary costs on business and taxpayers, in return for marginal environmental benefits. However, the EPA has proposed regulations for a revised standard between 70 ppb and 65 ppb, with the possibility of going as low as 60 ppb.

Concentration levels of ozone have already decreased by 33 percent from 1980 to 2013, and the average number of high ozone days per monitor in a year has decreased by 75 percent as recently as 2012. Furthermore, changing the ozone standard is premature, as the existing standards adopted in 2008 are only just beginning to be implemented. A tighter standard may even be impossible to meet because background levels in some areas of the country have been found to regularly exceed 60 ppb.

The costs of such a stringent and unwarranted standard could be devastating. A study by NERA Economic Consulting estimates $2.2 trillion in compliance costs from 2017 through 2040 for a 60 ppb standard. Based on EPA data for the three-year period from 2010 to 2012, over 60 percent of those counties would be in violation of a 70 ppb standard; 81 percent for a 65 ppb standard; 93 percent for a 60 ppb standard.

Additional Reading:

- Daren Bakst, "Reining in the EPA Through the Power of the Purse," Heritage Foundation *Issue Brief* No. 4264, August 19, 2014, http://www.Heritage.org/research/reports/2014/08/reining-in-the-epa-through-the-power-of-the-purse.

- Daren Bakst and Katie Tubb, "EPA Ozone Regulations Could be Most Expensive in U.S. History," The Daily Signal, August 4, 2014, http://dailysignal.com/2014/08/04/epa-ozone-regulation-expensive-u-s-history/.

- Andrew Grossman, "High On Ozone: The EPA's Latest Assault on Jobs and the Economy," Heritage Foundation *WebMemo* No. 3330, August 1, 2011, http://www.Heritage.org/research/reports/2011/08/high-on-ozone-the-epas-latest-assault-on-jobs-and-the-economy.

- Angela Antonelli, "Can No One Stop the EPA?" Heritage Foundation *Backgrounder* No. 1129, July 8, 1997, http://thf_media.s3.amazonaws.com/1997/pdf/bg1129.pdf.

Calculations:

This recommendation reduces the size of government, but no specific savings are assumed from prohibiting these regulations from taking effect.

#35 Eliminate the Renewable Fuel Standard (RFS)

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016–2020	2016–2025
$5	$5	$5	$5	$5	$5	$6	$6	$6	$6	$25	$54

Heritage Recommendation:
Eliminate the Renewable Fuel Standard (RFS). This proposal saves $5 million in 2016 and $54 million over 10 years.

Rationale:
Administered by the EPA and more commonly known as the ethanol mandate, the RFS mandates that refineries blend increasing amounts of ethanol into gasoline each year. By law, there must be 15 billion gallons (and no more) of corn-based ethanol and another 21 billion gallons of non-corn biofuels in the nation's fuel supply by 2022. Even though Congress set target levels, the EPA officially sets the annual targets based on domestic gasoline and diesel production and administers a trading, credit, and waiver system among refiners.

The Congressional Budget Office recently published a report showing the RFS will increase gas prices by 13 cents to 26 cents per gallon as soon as 2017.[41] Multiple federal agency and government-backed studies demonstrate the RFS has harmed Americans, driving up fuel and food prices. And, in January 2013, a U.S. Court of Appeals struck down the EPA's requirement for cellulosic ethanol, calling it "unreasonable."[42] Congress should not mandate the use of certain fuels and should discontinue all funding for implementation of this unworkable program.

Additional Reading:
- Nicolas Loris, "The Ethanol Mandate: Don't Mend It, End It," Heritage Foundation *Backgrounder* No. 2811, June 12, 2013, http://www.Heritage.org/research/reports/2013/06/the-ethanol-mandate-that's-mend-it-end-it.

- David Kreutzer, "Renewable Fuel Standard, Ethanol Use, and Corn Prices," Heritage Foundation *Backgrounder* No. 2727, September 17, 2012, http://www.Heritage.org/research/reports/2012/09/the-renewable-fuel-standard-ethanol-use-and-corn-prices.

Calculations:
According to page 92 of EPA, "Fiscal Year 2015: Justification of Appropriation Estimates for the Committee on Appropriations," March 2014, http://www2.epa.gov/sites/production/files/2014-03/documents/fy2015_congressional_justification.pdf, $96.5 million was spent in FY 2014 on federal vehicle and fuels standards and certification. Savings from this proposal assume that a fraction of that amount, $5 million in 2014, could be cut without the RFS. Both the current FY 2014 spending level and the alternative level of $91.5 million were increased at the same rate as discretionary spending for 2016–2025, according to the CBO's most recent August 2014 baseline spending projections. The savings represent the difference between these two spending levels.

Eliminate EPA Grant Programs and Information Exchange/Outreach

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016–2020	2016–2025
$131	$131	$132	$133	$136	$139	$142	$146	$149	$152	$663	$1,391

Heritage Recommendation:

Eliminate EPA grant programs as well as information exchange/outreach programs. Estimated savings for eliminating the EPA grant programs are not available, but eliminating the information exchange/outreach program saves $131 million in 2016, and $1.4 billion over 10 years.

Rationale:

The EPA should not be funding Environmental Education Grants and other grant programs, such as job-training programs. The EPA has allocated taxpayer money to projects that educate and increase awareness about stewardship. The majority of grants have been awarded to nonprofits with schools being a distant second; the most popular topics are biodiversity and general "environmental literacy." Past educational projects have included learning how to build "rain gardens," the significance of urban forests, poster contests on sun protection, asthma awareness and radon, and schoolyard habitat restoration.[43] From 1992 to 2011, the EPA has granted over $54 million through this program. Even the Obama Administration has recognized a need to cut back on revolving state grants, reducing its FY 2014 budget request for such grants by $581 million.

Additional Reading:

- Nicolas Loris, "EPA Is Desperately in Need of Budget Cuts. Here's a Few Places to Start," The Daily Signal, July 10, 2014, http://dailysignal.com/2014/07/10/epa-desperately-need-budget-cuts-heres-places-start/.

- The Heritage Foundation, "Environmental Conservation: Eight Principles of the American Conservation Ethic," http://www.Heritage.org/research/projects/environmental-conservation.

Calculations:

Savings for eliminating the information exchange/outreach program are expressed as budget authority and were calculated by using the FY 2014 enacted spending levels as found in page 1,003 of EPA, "Fiscal Year 2015: Justification of Appropriation Estimates for the Committee on Appropriations," March 2014, http://www2.epa.gov/sites/production/files/2014-03/documents/fy2015_congressional_justification.pdf. The 2014 enacted level was then increased at the same rate as discretionary spending for 2016–2025, according to the CBO's most recent August 2014 baseline spending projections.

#37 to #45

Eliminate Nine Climate Programs

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016–2020	2016–2025
$106	$106	$106	$107	$110	$112	$115	$118	$120	$122	$535	$1,122

Heritage Recommendation:

Eliminate climate-related programs within the Department of Energy. This proposal saves $106 million in 2016, and $1.1 billion over 10 years.

Rationale:

When the Clean Air Act (CAA) was passed, Congress never intended or envisioned that CO_2, an invisible and odorless gas required for life, would be covered under the law. The potential economic implications of CO_2 regulation are staggering, and its effect on everyday life could be unprecedented without offering any measurable environmental benefit. For these reasons, Congress, and not the EPA or any other federal agencies, should decide whether carbon dioxide should be regulated or considered in environmental permit reviews. Congress should expressly prohibit the regulation of CO_2 and other greenhouse gases, deny funding of agency efforts to reduce greenhouse gases, and repeal any agency actions to date that serve either directly or indirectly to develop CO_2 regulations, such as the EPA's endangerment finding.

The EPA's greenhouse gas regulations will drive up energy prices for families and businesses. It will cost more to heat, cool, and light homes, and to cook meals. These higher energy prices will also have ripple effects throughout the economy. As energy prices increase, the cost of making products rises. Higher operating costs for businesses will be reflected in higher prices for consumers. As prices rise, consumers buy less, and companies are forced to shed employees, close entirely, or relocate to other countries where the cost of doing business is lower. The result is fewer opportunities for American workers, lower incomes, less economic growth, and higher unemployment.

While carbon dioxide and other greenhouse gas emissions may have contributed in some capacity to climate variations, the available climate data simply do not indicate that the earth is heading toward catastrophic warming with dire consequences for human health and public welfare, nor do the data indicate that the dominant driving force behind climate change is human-induced greenhouse gas emissions. Such a view does nothing to account for the shortcomings of climate models that are the underlying foundation for carbon policies and regulations. While some climate models have forecast such a catastrophe, data of observed climate reality has shown these models, and the assumptions on which they are built, to be incorrect. There is simply no need for the EPA to implement costly accounting programs and egregious greenhouse gas regulations that will choke off American energy use.

Congress should eliminate funding for:

1. Regulation of greenhouse gas emissions from vehicles (as well as non-road equipment, locomotives, aircraft, and transportation fuels)
2. Regulation of CO_2 emissions from power plants and all sources
3. Greenhouse Gas Reporting Program
4. Global Methane Initiative
5. Climate Resilience Fund
6. Climate Resilience Evaluation Awareness Tool
7. Green Infrastructure Program
8. Climate Ready Water Utilities Initiative
9. Climate research funding for the Office of Research and Development

Additional Reading:

- Nicolas Loris, Kevin D. Dayaratna, and David W. Kreutzer, "EPA Power Plant Regulations: A Backdoor Energy Tax," Heritage Foundation *Backgrounder* No. 2863, December 5, 2013, http://www.Heritage.org/research/reports/2013/12/epa-power-plant-regulations-a-backdoor-energy-tax.

Calculations:

Savings are expressed as budget authority and were calculated using the FY 2014 enacted spending levels for Environmental and Program Management and Science and Technology as found on page 203 of EPA, "Fiscal Year 2015: Justification of Appropriation Estimates for the Committee on Appropriations," March 2014, http://www2.epa.gov/sites/production/files/2014-03/documents/fy2015_congressional_justification.pdf. The 2014 enacted level was then increased at the same rate as discretionary spending for 2016–2025, according to the CBO's most recent August 2014 baseline spending projections.

#46

Eliminate Regional EPA Programs

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016–2020	2016–2025
$422	$423	$424	$429	$439	$449	$459	$471	$480	$489	$2,137	$4,485

Heritage Recommendation:

Eliminate regional EPA programs that should be owned and managed by state and local governments. This proposal saves $422 million in 2016, and $4.5 billion over 10 years.

Rationale:

Resource management should take into account the fact that environmental conditions will vary from location to location and from time to time. A site- and situation-specific approach takes advantage of the fact that those who are closest to a natural habitat are also those who are best able to manage it. Such practices allow prioritization of funds and the separation of problems into manageable units.

Additional Reading:

- Nicolas Loris, "EPA Is Desperately in Need of Budget Cuts. Here's a Few Places to Start," The Daily Signal, July 10, 2014, http://dailysignal.com/2014/07/10/epa-desperately-need-budget-cuts-heres-places-start/.

- The Heritage Foundation, "Environmental Conservation: Eight Principles of the American Conservation Ethic," http://www.Heritage.org/research/projects/environmental-conservation.

Calculations:

Savings are expressed as budget authority and were calculated using the FY 2014 enacted spending levels as found in page 1,002 of EPA, "Fiscal Year 2015: Justification of Appropriation Estimates for the Committee on Appropriations," March 2014, http://www2.epa.gov/sites/production/files/2014-03/documents/fy2015_congressional_justification.pdf. The 2014 enacted level was then increased at the same rate as discretionary spending for 2016–2025, according to the CBO's most recent August 2014 baseline spending projections.

Lease or Sell Underused EPA Space

#47

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016–2020	2016–2025
$22	$22	$22	$22	$22	$22	$22	$22	$22	$22	$110	$220

Heritage Recommendation:

Space not currently used by the Environmental Protection Agency should be leased. This proposal saves $21 million annually, and $216 million over 10 years.

Rationale:

The EPA has been leasing unneeded space since 2007, achieving over $12 million in savings. According to a 2013 EPA Inspector General report, the agency could save an additional $21 million every year by leasing all remaining underutilized space. The EPA should maximize use of public space and faithfully steward taxpayer resources.

Additional Reading:

- Nicolas Loris, “EPA Is Desperately in Need of Budget Cuts. Here’s a Few Places to Start,” The Daily Signal, July 10, 2014, http://dailysignal.com/2014/07/10/epa-desperately-need-budget-cuts-heres-places-start/.
- The Heritage Foundation, “Environmental Conservation: Eight Principles of the American Conservation Ethic,” http://www.Heritage.org/research/projects/environmental-conservation.

Calculations:

The EPA estimates that it can save $21.6 million annually from releasing underused space, found on page 6 of U.S. Environmental Protection Agency, “EPA Can Further Reduce Space in Under-Utilized Facilities,” February 20, 2013, http://www.epa.gov/oig/reports/2013/20130220-13-P-0162.pdf

#48

Eliminate the National Clean Diesel Campaign (NCDC)

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016–2020	2016–2025
$20	$20	$20	$21	$21	$22	$22	$23	$23	$24	$102	$216

Heritage Recommendation:

Eliminate the National Clean Diesel Campaign (NCDC), commonly called the Diesel Emissions Reduction Act (DERA) grant program. This proposal saves $20 million in 2016, and $216 million over 10 years.

Rationale:

While Congress only authorized $30 million for the EPA's clean diesel program in 2012, hundreds of millions have been spent over the years to develop more than 60,000 pieces of clean diesel technology, such as "emissions and idle control devices, aerodynamic equipment, engine and vehicle replacements, and alternative fuel options." Diesel Emissions Reduction Act grants have been used to pay for new or retrofitted tractors and cherry pickers in Utah ($750,000), electrified parking spaces at a Delaware truck stop ($1 million), a new engine and generators for a 1950s locomotive in Pennsylvania ($1.2 million), school buses in San Diego County ($1.6 million), and new equipment engines for farmers in the San Joaquin Valley ($1.6 million). Though these projects might have merit, federal taxpayers should not have to pay for projects that should be undertaken by private investors or state and local groups. If these technologies are economically viable and consumer demand exists, these products will be developed without the help of taxpayers.

Additional Reading:

- Nicolas Loris, "EPA Is Desperately in Need of Budget Cuts. Here's a Few Places to Start," The Daily Signal, July 10, 2014, http://dailysignal.com/2014/07/10/epa-desperately-need-budget-cuts-heres-places-start/.

- Katrina Trinko, "Heritage Experts Weigh in on Massive Omnibus Spending Bill," The Daily Signal, January 13, 2014, http://dailysignal.com/2014/01/13/Heritage-experts-weigh-massive-omnibus-spending-bill/.

- The Heritage Foundation, "Environmental Conservation: Eight Principles of the American Conservation Ethic," http://www.Heritage.org/research/projects/environmental-conservation.

Calculations:

Savings are expressed as budget authority and were calculated by using the FY 2014 enacted spending levels as found on page 810 of EPA, "Fiscal Year 2015: Justification of Appropriation Estimates for the Committee on Appropriations," March 2014, http://www2.epa.gov/sites/production/files/2014-03/documents/fy2015_congressional_justification.pdf. The 2014 enacted level was increased at the same rate as discretionary spending for 2016–2025, according to the CBO's most recent August 2014 baseline spending projections.

Eliminate Environmental Justice Programs

#49

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016–2020	2016–2025
$7	$7	$7	$7	$7	$7	$7	$8	$8	$8	$35	$73

Heritage Recommendation:

Eliminate environmental-justice programs. This proposal saves $7 million in 2016, and $72 million over 10 years.

Rationale:

The EPA's environmental-justice programs were originally designed to protect low-income communities from environmental harm. However, the EPA now too often goes beyond this purpose. Under the premise of serving low-income communities, the EPA applies the law inconsistently to prevent businesses from developing, thus blocking the very economic opportunity that underserved and disadvantaged communities need. Further, environmental-justice programs have expanded to subsidize state and local projects that federal taxpayers should not be forced to fund. For example, the Environmental Justice Small Grants program has funded projects completely unrelated to environmental justice, such as neighborhood litter cleanups; education on urban gardening, composting, and the negative effects of urban sprawl and automobile dependence; and a pilot program to reach California's nail salon community in order to increase "knowledge of healthy/green nail salon concepts and practices."[44] Congress should eliminate these programs, which have been coopted by political agendas rather than protecting communities from truly dangerous conditions.

Additional Reading:

- Nicolas Loris, "EPA Is Desperately in Need of Budget Cuts. Here's a Few Places to Start," The Daily Signal, July 10, 2014, http://dailysignal.com/2014/07/10/epa-desperately-need-budget-cuts-heres-places-start/.
- The Heritage Foundation, "Environmental Conservation: Eight Principles of the American Conservation Ethic," http://www.Heritage.org/research/projects/environmental-conservation.
- James Rust, "'Environmental Justice' Injustice (EPA Elitism, Exploitation)," Master Resource, August 13, 2014, https://www.masterresource.org/environmental-justice/environmental-injustice/.

Calculations:

Savings are expressed as budget authority and were calculated using the FY 2014 enacted spending levels as found on page 193 of EPA, "Fiscal Year 2015: Justification of Appropriation Estimates for the Committee on Appropriations," March 2014, http://www2.epa.gov/sites/production/files/2014-03/documents/fy2015_congressional_justification.pdf. The FY 2014 spending level was increased at the same rate as discretionary spending for 2016–2025, according to the CBO's most recent August 2014 baseline spending projections.

Endnotes: Natural Resources and Environment

41. Congressional Budget Office, "The Renewable Fuel Standard: Issues for 2041 and Beyond," June 26, 2014, https://www.cbo.gov/publication/45477 (accessed December 16, 2014).
42. Christopher Doering, "Court Rules EPA Ethanol Mandate 'Unreasonable,'" *USA Today*, January 25, 2013, http://www.usatoday.com/story/news/politics/2013/01/25/epa-biofuel-mandate-unreasonable/1865567/ (accessed December 16, 2014).
43. Environmental Protection Agency, "Profiles of Environmental Education Grants Awarded in Wisconsin: 1992–2011," November 4, 2014, http://www2.epa.gov/education/profiles-environmental-education-grants-awarded-wisconsin (accessed December 11, 2014).
44. Environmental Protection Agency Office of Enforcement and Compliance Assurance, "Environmental Justice Small Grants; FY2013 Summaries By Region," September 11, 2013, http://www.epa.gov/compliance/environmentaljustice/resources/publications/grants/ej-smgrants-recipients-2013.pdf (accessed December 11, 2014).