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Whitfield Stands Up to EPA for Lower Gas Prices

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Congressman Ed Whitfield (R–KY) released legislation yesterday that would force the Obama Administration to reveal how its environmental regulations impact gasoline prices.

Specifically, the Gasoline Regulations Act of 2012[1] would create a Transportation Fuels Regulatory Committee consisting of officials from the Departments of Energy, Transportation, Commerce, Labor, and Treasury, plus representatives of the Environmental Protection Agency (EPA), the International Trade Commission, and the Energy Information Agency. The purpose of the committee would be to report on the full economic impact of a series of EPA actions on gasoline prices.

Energy Accountability. The legislation requires that the final report be completed within just over six months and places a freeze on related EPA action for another 180 days after that. By slowing the Obama regulatory juggernaut, the act gives both policymakers and the public an opportunity to fully understand the economic impact of pending regulations and adjust policy accordingly.

The Gasoline Regulations Act of 2012 has other benefits, such as:

- **Forcing transparency.** The President is currently touring the nation touting his achievements on energy. The problem is that he is diverting public attention from his Administration's energy failures[2] by taking credit for the natural gas boom, the increased oil production in North Dakota, the partial Keystone XL Pipeline construction, and the issuance of the first nuclear plant permit in 30 years—even though they all occurred not because of the President's policies but in spite of them. The Whitfield bill would expose the true economic impact of the President's regulate-first energy policy.

- **Promoting consumer-friendly policies.** One of the many problems with enacting policy through regulation is that its economic costs are often ignored because they generally occur at some future date and are passed onto the consumer with little transparency. To the extent that economic costs are revealed, they are often difficult to comprehend because they are not clearly represented and take a very static view of how the economy works. Whitfield's bill would force the bureaucracy to acknowledge how the regulations impact consumers; small businesses; regional economies; state, local, and tribal governments; low-income communities' public health; and local and industry-specific labor markets. This would provide specific, easy-to-understand economic impact data to inform the public and policymakers and would help weigh these costs against the perceived benefits.

- **Providing accountability.** Because regulatory findings often occur deep within the bowels of Washington bureaucracy, holding officials accountable for regulatory outcomes is often difficult. By the time the true impact of many regulations are realized, the politicians who allowed them are often long gone. The Whitfield bill would make politicians

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accountable now for the regulations that they thought would not take effect until some future point. It means that EPA Administrator Lisa Jackson could not issue final rules (for instance, ozone and motor vehicle emission and fuel standards) until the committee submits a final report on the economic impacts.

Can Washington Lower Gas Prices? Trying to get an answer to whether Washington can lower gas prices really depends on who you ask and when you ask it. It really comes down to what extent Washington is distorting the current marketplace. If Washington policy is artificially driving up costs through, for example, regulation or restricting supply, then it can help bring prices down by pursuing a more pro-supply, market-based agenda.

Today, the Administration restricts access to major portions of American oil[3] by keeping parts of Alaska, the continental U.S., and much of America's offshore assets off limits. There is simply no question that supply restrictions drive up prices. However, the question of regulation and how the Administration's regulatory policies impact gas prices may not be as evident—at least not as it pertains to upcoming regulatory findings at the EPA. The Whitfield bill would help to answer that question.

Are They Doing All They Can? The President, his Secretary of Energy, and many of his supporters insist that they are doing all that they can do to lower gasoline prices. Whitfield's Gasoline Regulations Act of 2012 would help them to ensure that they are.

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1. The Gasoline Regulations Act of 2012, at *http://republicans.energycommerce.house.gov/Media/file/Hearings/Energy/20120328/BILLS-112HR-PIH-gasprices.pdf?utm_source=&utm_medium=email&utm_campaign=2863* (March 23, 2012).
2. Nicolas D. Loris, "Gas Prices: Obama's Half-Truths vs. Reality," Heritage Foundation *Issue Brief* No. 3514, February 23, 2012, at *http://www.heritage.org/research/reports/2012/02/gas-prices-5-half-truths-about-rising-gasoline-prices*.
3. Nicolas D. Loris and Curtis Dubay, "What's an Oil Subsidy?," Heritage Foundation *WebMemo* No. 3251, May 12, 2011, at *http://www.heritage.org/research/reports/2011/05/whats-an-oil-subsidy*.