

Regulatory/Economic-Management and Analysis

Program Area: Legal / Science / Regulatory / Economic Review

Goal: Provide Agencywide support for multiple goals to achieve their objectives. This support involves Agencywide activities primarily provided by EPA's six (6) support offices - the Office of Administration and Resources Management (OARM), Office of the Chief Financial Officer (OCFO), Office of Environmental Information (OEI), Office of General Counsel (OGC), Office of the Administrator (OA), and the Office of Inspector General (OIG).

(Dollars in Thousands)

| | FY 2011 Actuals | FY 2012 Enacted | FY 2013 Pres Budget | FY 2013 Pres Budget v. FY 2012 Enacted |
|--|----------------------------|----------------------------|--------------------------------|---|
| <i>Environmental Program & Management</i> | <i>\$20,329.8</i> | <i>\$15,256.0</i> | <i>\$23,345.0</i> | <i>\$8,089.0</i> |
| Total Budget Authority / Obligations | \$20,329.8 | \$15,256.0 | \$23,345.0 | \$8,089.0 |
| Total Workyears | 94.3 | 100.4 | 101.5 | 1.1 |

Program Project Description:

The Regulatory, Economic, Management and Analysis program resources are used to assess and consider impacts of EPA's regulations on businesses, government entities, and the economy more broadly. Outreach and consultation are also priorities with a goal to make information on EPA's regulatory activities available to the public to improve transparency and encourage meaningful participation. The program ensures consistent and appropriate economic analysis of policy options; reviews and improves economic analyses (including benefit-cost analyses) prepared by regulatory programs, develops, identifies and analyzes regulatory and non-regulatory approaches; considers interactions between regulatory actions in various program offices; and addresses policy priorities, including the consideration of employment impacts and other impacts on the economy.

Objectives of the program include:

- Ensuring that Agency decision-making processes are invested with high-quality, timely science and information and that an appropriate range of alternatives are considered during the development of regulatory actions.
- Leading periodic review of existing regulations to identify obsolete or overly burdensome provisions or those that need strengthening (under new EO 13563: Improving Regulation and Regulatory Review). This work includes management, analysis, and quality assurance of Agency's implementation of EO 13563, a retrospective study of the costs of regulation to improve the Agency's estimates of costs in future rulemakings; consideration of public recommendations for regulatory review; and ensuring appropriate public access to agency progress.
- Ensuring the appropriate implementation of the Administrative Procedures Act, Congressional Review Act, and the Paperwork Reduction Act.

- Delivering sound and timely economic, science, and regulatory analyses to support informed management decisions throughout the Agency.
- Providing information on the full societal impacts of reducing environmental risks, including the expected distribution of the costs, benefits and impacts of regulatory options.
- Ensuring that regulations are consistent with statutory and executive order directives, such as EO 12866 (Regulatory Planning and Review) and EO 13132 (Federalism).
- Ensuring consistency among policies and procedures for the development of rules across program offices.

FY 2013 Activities and Performance Plan:

Program activities planned for FY 2013 include:

- Managing the Agency's internal *Action Development Process, Economic Guidelines*, and related requirements (e.g., OMB Circular A-4 on Regulatory Analysis). The program ensures appropriate engagement across EPA's headquarters and regional offices and provides consistent internal policies, procedures, training, resources, and tools to EPA staff. EPA will review and revise its economic guidelines so that they remain current with advancements and reflect best practices in the profession.⁷⁸
- Maintaining regulatory planning and tracking tools to facilitate timely decisions and coordination across programs.
- Reviewing existing rules to determine more effective and efficient ways to improve compliance reporting, with an emphasis towards electronic reporting and monitoring.
- Leading EPA's review of regulatory actions from other agencies and Departments.
- Participating in the development of the Agency regulatory actions to ensure that regulations address statutory and executive order directives (e.g., conducting benefit-cost analysis for every economically significant regulation) and policy priorities, and providing technical assistance when needed to help meet Agency goals, such as finding less burdensome approaches to achieve environmental protection.

Performance Targets:

Work under this program supports multiple strategic objectives. Currently, there are no performance measures for this specific program project.

⁷⁸ Please refer to: <http://yosemite.epa.gov/ece/epa/ced.nsf/webpages/Guidelines.html>

FY 2013 Change from FY 2012 Enacted Budget (Dollars in Thousands):

- (+\$854.0) This increase reflects the recalculation of base workforce costs and a cost of living adjustment for existing FTE.
- (+\$1,798.0/ +0.3 FTE) This increase supports continued implementation of Executive Order 13563 (Improving Regulation and Regulatory Review) to perform a retrospective analysis of Agency rules that may be outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned. This increase will support the analysis of estimated costs of past regulations as well as an examination of opportunities to consolidate regulations to reduce complexity for the regulated community, and ease resource requirements for upcoming rules. This includes 0.3 FTE and \$48.0 in associated payroll resources.
- (+\$1,048.0/ +0.3 FTE) This increase supports the development, refinement and peer review of methodologies to examine and thoroughly estimate the employment impacts of Agency regulations. This effort also will help meet EPA's public commitment in looking back at previous regulations. This includes 0.3 FTE and \$48.0 in associated payroll resources.
- (+\$1,614.0/ +0.5 FTE) This increase will be used to improve Agency-wide regulatory impact analysis, including better estimates of the economic impacts of regulations. This work will include new efforts to better capture the actual cost burden on firms from regulations (including impacts on small business and governmental agencies), better understanding of the impact of regulations when the economy is at less than full employment, and tools to characterize impacts on competitiveness. EPA already quantifies the costs, benefits, and economic impacts of individual regulations; however, the current state of the economy has placed extra emphasis on how regulations effect economic growth and job creation. In order to improve our estimates of costs, EPA will also conduct assessments of actual compliance costs and analyze economic data and actual practices in the fields of manufacturing and pollution control technologies. These data will be used to both improve cost-benefit analyses of major rules going forward as well as target opportunities to reduce costs in regulatory design. This includes 0.5 FTE and \$80.0 in associated payroll resources.
- (+\$750.0) This increase supports consultations with state and local government representatives on regulations that are expected to result in significant state or local government expenditures or which might preempt state laws, consistent with the President's executive orders on Federalism and the Unfunded Mandates Reform Act (UMRA). These resources will also enhance the transparency of EPA's regulatory development activities, including: providing public information on our regulatory policy agenda on a real-time basis; pursuing opportunities to improve communication through internet and social media tools; and releasing data related to EPA's annual regulatory activities. This includes working with state government representatives to reduce costs and improve implementation of federal regulations through a joint EPA-state project

investigating opportunities to improve consideration of implementation issues throughout the regulation development process.

- (+\$1,500.0) This increase will enable the Agency to incorporate recommendations from the National Academy of Sciences and utilize high-quality outside technical peer reviews of influential methods and models. These resources will support efforts to develop analytical tools to improve risk assessment methods used in quantifying human health benefits, particularly to children, of regulations. This work will include developing new, more accurate methods for assessing cancer and non-cancer risks from toxic chemicals. These efforts also will result in developing improved risk assessment methods to serve economic analyses, and methods to address uncertainties in risk and economic analyses.
- (+\$525.0) This increase will support the refinement of methodologies to estimate costs and benefits of the Agency's water quality rules, including pressing issues like nutrient and sediment loading impacts on major national estuaries, like the Chesapeake Bay, as well as evaluating benefits in the nation's urban waters. EPA will solicit support from the scientific community to develop new research tools and methods, utilizing EPA's Science to Achieve Results (STAR), Economic and Decision Sciences program.

Statutory Authority:

Toxic Substances Control Act sections 4, 5, and 6 (15 United States Code (U.S.C.) 2603, 2604, and 2605); Clean Water Act sections 304 and 308 (33 U.S.C. 1312, 1314, 1318, 1329-1330, 1443); Safe Drinking Water Act section 1412 (42 U.S.C. 210, 300g-1); Resource Conservation and Recovery Act/Hazardous and Solid Waste Amendment : (33 USC 40(IV)(2761), 42 USC 82(VIII)(6981-6983)); Clean Air Act: 42 USC 85(I)(A)(7403, 7412, 7429, 7545, 7612); Comprehensive Environmental Response, Compensation and Liability Act: 42 U.S.C. 103(III)(9651); Pollution Prevention Act (42 U.S.C. 13101-13109); FTTA.