



441 G St. N.W.  
Washington, DC 20548

B-329685

December 29, 2017

The Honorable John Barrasso  
Chairman  
The Honorable Thomas R. Carper  
Ranking Member  
Committee on Environment and Public Works  
United States Senate

The Honorable Greg Walden  
Chairman  
The Honorable Frank Pallone  
Ranking Member  
Committee on Energy and Commerce  
House of Representatives

Subject: *Environmental Protection Agency: Renewable Fuel Standard Program: Standards for 2018 and Biomass-Based Diesel Volume for 2019*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Environmental Protection Agency (EPA) entitled “Renewable Fuel Standard Program: Standards for 2018 and Biomass-Based Diesel Volume for 2019” (RIN: 2060-AT04). We received the rule on December 8, 2017. It was published in the *Federal Register* as a final rule on December 12, 2017, with an effective date of February 12, 2018. 82 Fed. Reg. 58,486.

The final rule establishes the annual percentage standards for cellulosic biofuel, bio-mass-based diesel, advanced biofuel, and total renewable fuel that apply to gasoline and diesel transportation fuel produced or imported in the year 2018. Relying on statutory waiver authority that is available when projected cellulosic biofuel production volumes are less than the applicable volume specified in the Clean Air Act, the final rule also establishes volume requirements for cellulosic biofuel, advanced biofuel, and total renewable fuel that are below the statutory volume targets. Finally, this final rule establishes the applicable volume of biomass-based diesel for 2019.

Enclosed is our assessment of EPA’s compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review of the procedural steps taken indicates that EPA complied with the applicable requirements.

If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shirley A. Jones, Assistant General Counsel, at (202) 512-8156.

signed

Robert J. Cramer  
Managing Associate General Counsel

Enclosure

cc: Nicole Owens  
Director, Regulatory Management Division  
Environmental Protection Agency

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE  
ISSUED BY THE  
ENVIRONMENTAL PROTECTION AGENCY  
ENTITLED  
“RENEWABLE FUEL STANDARD PROGRAM: STANDARDS FOR  
2018 AND BIOMASS-BASED DIESEL VOLUME FOR 2019”  
(RIN: 2060-AT04)

(i) Cost-benefit analysis

The Environmental Protection Agency (EPA) summarized the costs and benefits of the final rule. EPA estimates that the costs for changes in the advanced fuel volumes compared to 2017 could range from \$0.4 - \$24 million in 2018. EPA also estimates \$5.3 - \$15.9 billion in cost savings associated with reducing statutory cellulosic volumes.

EPA also stated that it did not quantify benefits for the 2018 standards. For example, EPA stated that it did not have a quantified estimate of the greenhouse gas (GHG) or energy security benefits for a single year. Furthermore, EPA stated that there are impacts that are difficult to quantify, such as rural economic development and employment changes from more diversified fuel sources that are not quantified in this final rule.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603-605, 607, and 609

EPA certified that this final rule will not have a significant economic impact on a substantial number of small entities under RFA.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

EPA determined that this final rule does not contain an unfunded mandate of \$100 million or more as described in the Act and does not significantly or uniquely affect small governments.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

On July 21, 2017, EPA published a proposed rule. 82 Fed. Reg. 34,206. EPA stated that it held a public hearing on August 1, 2017, at which many parties provided both verbal and written testimony. EPA responded to comments in the final rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501-3520

EPA found that this final rule does not impose any new information collection burden under PRA. EPA also stated that the Office of Management and Budget (OMB) has previously approved the information collection activities contained in the existing regulations and has assigned OMB control numbers 2060-0637 and 2060-0640.

Statutory authorization for the rule

EPA stated that it promulgated this rule pursuant to sections 114, 208, 211, and 301(a) of the Clean Air Act.

Executive Order No. 12,866 (Regulatory Planning and Review)

EPA determined that this final rule is an economically significant regulatory action. EPA stated that it was submitted to the Office of Management and Budget for review.

Executive Order No. 13,132 (Federalism)

EPA found that this final rule will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.