

How the EPA Aims to Kill Coal

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A case can be made, upon reviewing the full sweep of President Barack Obama's first term, that the Administration's top priority has not been health care, the Iranian nuclear program or economic recovery. It has been, instead, the U.S. coal industry's ruination.

The Environmental Protection Agency (EPA) recently proposed a regulation with the innocuous title **"Standards of Performance for Greenhouse Gas Emissions for New Stationary Sources: Electric Utility Generating Units,"** setting a carbon dioxide emissions limit that coal plants cannot meet, now or in the foreseeable future. According to Sierra Club Executive Director Michael Brune, the proposed rule would make it "nearly impossible to build a new coal plant." The American Public Power Association agrees, stating the proposal will "kill coal going forward."

Yet U.S. coal is an economic mainstay of West Virginia, Kentucky, Pennsylvania, Virginia and Wyoming, and a source of reliable and economical electric power for much of the country. A 2010 Price Waterhouse Coopers study states U.S. coal mining accounted for more than 154,000 direct and 555,000 total jobs in 2008 during the depths of the recession. Coal provides good, high-paying jobs. Based on Bureau of Labor Statistics data, average coal mining wages and salaries were \$72,200, 59 percent higher than the combined average of all private sector jobs.

Nevertheless, from its first day the Administration has waged a war of attrition in Congress, the courts and the federal regulatory arena against coal. The legislative assault collapsed when Congress rejected cap and trade, and the courts have not been kind to the Administration. In a recent case, the EPA claimed the right to revoke a Clean Water Act permit issued to a coal company by the U.S. Army Corps of Engineers, only to have a liberal federal court judge rebuke the Agency for "magical thinking" and for grabbing power against Congressional will.

But in the regulatory sphere, where bureaucrats reign at the expense of public transparency and judicial or congressional review, the EPA has run unleashed and unchecked. Since 2008, the Administration has proposed or issued thousands of pages of regulations to burden coal-generated electric power. Although often wrong-headed and even contrary to law, these regulations generally have had at least a tenuous connection to cleaner air or water.

The EPA's new proposal, however, is chillingly disconnected from environmental quality. The Administration argues that:

- coal plants produce carbon dioxide
- that carbon dioxide is a greenhouse gas
- that carbon dioxide “endangers both the public health and the public welfare of current and future generations” due to the theoretical public health and social effects of global warming
- that coal plants are “the country’s largest stationary source emitters...”

At the same time, the EPA admits that the rule will do nothing to reduce total U.S. carbon dioxide emissions. Simply stated, the proposed rule stops only new coal power plants, not global warming.

In 1993, President Bill Clinton issued an Executive Order requiring federal agencies to propose or adopt regulations only upon a reasoned determination that the benefits of a rule justify its costs and to write rules to impose the least burden on society, consistent with regulatory objectives. These common sense requirements were adopted and reaffirmed by President Obama in January 2011.

Ignoring these requirements, the EPA has utterly failed to take a hard-headed look at the relative balance between economic cost and environmental benefits associated with the proposed rule. It says absolutely nothing about the workers who will lose their jobs if the proposal becomes law. Yet, unlike the potential endangerment posed by carbon dioxide, the harm to public health and welfare from job-killing rules is actual, certain and real. The increased unemployment and economic decline that will occur in the areas hit hardest by the EPA’s new rule will result in substantially higher rates of chronic disease, substance and spousal abuse, mental illness and suicide. About these things, the science is truly settled.

In the end, the EPA justifies the proposed rule, and by extension the economic damage that it will do, by claiming the proposed rule “will send a strong signal” and “may” encourage foreign governments “to consider less [carbon]-intensive forms of power generation.” Congress, however, did not enact environmental laws so that the EPA could sacrifice American workers and American industry to “signal” foreign governments.

Sound policy and public faith in the regulatory system require federal bureaucrats’ strong and consistent compliance with President Clinton’s Executive Order principles. Yet, the Administration’s Ahab-like obsession with U.S. coal has corrupted the administrative process, leading the EPA to discard prudence and ignore the Clinton principles. The result is an irrational proposal that will cause economic devastation without, as the EPA freely concedes, improving air quality.

The EPA should withdraw its proposed rule, apply the Clinton principles, and then get about the business of regulating coal in a prudent and sober way that truly accounts for all economic costs and ensures that the environmental benefits are real and true. American workers, the U.S. coal industry and the integrity of the regulatory system itself require nothing less.

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