ORAL ARGUMENT HELD SEPTEMBER 27, 2016

IN THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

STATE OF WEST VIRGINIA, ET AL.,	
Petitioners,	
v. UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, ET AL.,) No. 15-1363 (and) consolidated cases))
Respondents.	

EPA SUPPLEMENTAL STATUS REPORT

Respondents United States Environmental Protection Agency et al. (EPA) hereby provide the Court with a supplemental status report to advise the Court of a pertinent development in its review of the Rule at issue in these cases. As set forth further below, EPA has begun the interagency review process of a proposed regulatory action resulting from its review of the Rule.

1. These cases involve numerous consolidated petitions for review of an EPA rule entitled "Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units" ("the Rule"). 80 Fed. Reg. 64,662 (Oct. 23, 2015). The Supreme Court granted applications for a stay of the Rule pending judicial review on February 9, 2016. Order, <u>West</u> <u>Virginia v. EPA</u>, No. 15A773. Following full merits briefing, oral argument was held before this Court, sitting <u>en banc</u>, on September 27, 2016.

2. On March 28, 2017, the President of the United States issued an Executive Order establishing the policy of the United States that executive departments and agencies "immediately review existing regulations that potentially burden the development or use of domestically produced energy resources and appropriately suspend, revise, or rescind those that unduly burden the development of domestic energy resources beyond the degree necessary to protect the public interest or otherwise comply with the law." Executive Order, "Promoting Energy Independence and Economic Growth," § 1(c), 82 Fed. Reg. 16,093 (Mar. 28, 2017). With respect to the Rule in particular, the Executive Order directs the Administrator of EPA to "immediately take all steps necessary" to review it for consistency with these and other policies set forth in the Order. Id. § 4. The Executive Order further instructs the agency to "if appropriate [and] as soon as practicable . . . publish for notice and comment proposed rules suspending, revising, or rescinding" the Rule. Id.

3. In accordance with the Executive Order and his authority under the Clean Air Act, the EPA Administrator signed a Federal Register notice on March 28, 2017, announcing EPA's review of the Rule and noting that if EPA's review "concludes that suspension, revision or rescission of this Rule may be

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appropriate, EPA's review will be followed by a rulemaking process that will be transparent, follow proper administrative procedures, include appropriate engagement with the public, employ sound science, and be firmly grounded in the law." "Review of the Clean Power Plan," 82 Fed. Reg. 16,329, 16,329 (Apr. 4, 2017).

4. Based on these significant developments, EPA filed a motion on March 28, 2017 to hold these cases in abeyance pending completion of EPA's review and any resulting forthcoming rulemaking. ECF No. 1668274. By order dated April 28, 2017, this Court held the cases in abeyance for 60 days and directed EPA to file status reports at 30-day intervals from the date of the order. <u>Id.</u> The Court further directed the parties to file supplemental briefs by May 15, 2017, addressing "whether these consolidated cases should be remanded to the agency rather than held in abeyance." ECF No. 1673071. EPA timely submitted its supplemental brief and advocated continuing to hold these cases in abeyance for the reasons explained therein. ECF No. 1675243. EPA submitted its first scheduled 30-day status report on May 30, 2017, and its next scheduled 30-day status report is due on June 30, 2017.

5. EPA is filing this supplemental non-scheduled status report to apprise the Court that it has begun the interagency review process of a proposed regulatory action resulting from its review of the Rule. EPA has transmitted a draft proposed rule to the Office of Management and Budget's

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Office of Information and Regulatory Affairs, consistent with the review procedures that are set forth in Executive Order 12866, 58 Fed. Reg. 190 (Oct. 4, 1993).

6. For the reasons set forth in EPA's March 28, 2017 Motion to Hold Cases in Abeyance (ECF No. 1668274) and May 15, 2017 Supplemental Brief in Support of Abeyance (ECF No. 1675243), these cases should remain in abeyance pending the conclusion of the expected forthcoming rulemaking.

Respectfully submitted,

ERIC GRANT Deputy Assistant Attorney General

DATED: June 12, 2017

BY: <u>/s/ Eric G. Hostetler</u> ERIC G. HOSTETLER NORMAN L. RAVE, JR. BRIAN H. LYNK AMANDA SHAFER BERMAN CHLOE H. KOLMAN U.S. Department of Justice Environmental Defense Section P.O. Box 7611 Washington, D.C. 20044 Phone: (202) 305-2326 Email: eric.hostetler@usdoj.gov

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Notice of Executive Order, EPA Review of Clean Power Plan, and Forthcoming Rulemaking, and Motion to Hold Cases in Abeyance have been served through the Court's CM/ECF system on all registered counsel this 12th day of June, 2017.

> <u>/s/ Eric G. Hostetler</u> Counsel for Respondent