The Honorable Joe Manchin Chairman, Committee on Energy and Natural Resources United States Senate Washington, DC 20510 The Honorable Garret Graves Committee on Natural Resources U.S. House of Representatives Washington, DC 20515

The Honorable Dan Sullivan Committee on Environment and Public Works United States Senate Washington, DC 20510

Dear Senator Manchin, Senator Sullivan, and Representative Graves:

The undersigned organizations representing broad sectors of the economy strongly support the Congressional Review Act resolutions of disapproval aimed at overturning the recently finalized Council on Environmental Quality (CEQ) regulation titled, "Bipartisan Permitting Reform Implementation Rule."¹ This regulation threatens to make the federal permitting process more complicated and prone to delays, hindering our ability to efficiently utilize recent Congressional investments in infrastructure, energy, and manufacturing.

Among our objections to the Administration's new rule is that it fundamentally shifts the National Environmental Policy Act (NEPA) from a statute that lays out the process to evaluate environmental impacts to one that seeks to force specific outcomes. This shift would overturn decades of NEPA permitting practice and is not consistent with Supreme Court precedent interpreting the statute.

A more efficient permitting process is critical for facilitating timely project development and economic growth, while ensuring environmental protection and public engagement. However, the new regulation introduces unnecessary complexity to a host of permitting process steps and agency decision-making. It reverts to many of the permitting process inefficiencies from the 1970s that led to the broken permitting process we have today, with permitting decisions taking years and sometimes decades. That is far too long to build for a stronger future.

The rule adds complicated and subjective requirements to the permitting process that will make it less predictable for project sponsors. For instance, the new rule lowers the threshold for when an agency should conduct a more extensive level of NEPA review and analysis, which is expected to lead to more delays. It expands the scope of analysis to include environmental effects that may be remote and far removed from a project, adds multiple layers of subjective criteria to the public outreach process, puts a thumb on the scale in favor of some categories of projects while disfavoring others, and more. These new requirements create more legal risks for private and public projects that will delay or even block critical projects altogether. In addition, the rule fails to create strong incentives to meet the NEPA review deadline requirements and weakens other important reforms included in the Fiscal Responsibility Act of 2023.²

¹ 89 Fed. Reg. 35442 (May 1, 2024).

² Fiscal Responsibility Act of 2023, Pub. L. No. 118-5 (2023).

We urge Congress to take action to overturn this regulation and enact comprehensive permitting reform that promotes efficiency, predictability, and transparency. By overhauling the permitting process, Congress can enhance regulatory certainty, attract investment, and accelerate the deployment of critical infrastructure and resource development projects necessary to advance our nation's economic competitiveness and environmental sustainability.

We appreciate your attention to this matter and stand ready to support and advance common-sense permitting reforms to benefit our communities, the environment, and the economy.

Sincerely,

Agricultural Retailers Association Alliance for Chemical Distribution American Chemistry Council American Coke and Coal Chemicals Institute American Council for Capital Formation American Exploration & Mining Association American Exploration & Production Council American Farm Bureau Federation American Forest Resource Council American Fuel & Petrochemical Manufacturers American Gas Association American Petroleum Institute American Pipeline Contractors Association American Public Gas Association American Road & Transportation Builders Association American Trucking Associations Associated Builders and Contractors Associated General Contractors of America Association of American Railroads **Citizens for Responsible Energy Solutions Distribution Contractors Association** Energy Equipment & Infrastructure Alliance Hardwood Federation Independent Petroleum Association of America Interstate Natural Gas Association of America National Asphalt Pavement Association National Cattlemen's Beef Association National Hydropower Association National Mining Association National Ocean Industries Association National Ready Mixed Concrete Association National Rural Electric Cooperative Association National Stone Sand & Gravel Association National Utility Contractors Association **Plastics Pipe Institute**

Power & Communication Contractors Association Public Lands Council The Fertilizer Institute U.S. Chamber of Commerce Water and Sewer Distributors of America Western Energy Alliance