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Subject: Sue & Settle Policy Change -- Embargoed Until 11:30 am EDT

Hi all,

We wanted to share below with you on an embargoed basis (until 11:30 am EDT).

Sincerely,
Doug

Good Morning!

Please see below an embargoed announcement (until 11:30 AM) for today regarding a signed directive from Administrator Pruitt to the agency to end the previous Administration's practice of so-called "Sue & Settle." Let me know if you have any questions and please flag any statements your office may release on this matter.

-Tate

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ADMINISTRATOR PRUITT ISSUES DIRECTIVE TO END EPA "SUE & SETTLE"

"The days of regulation through litigation are over," – EPA Administrator Scott Pruitt

WASHINGTON – In fulfilling his promise to end the practice of regulation through litigation that has harmed the American public, EPA Administrator Scott Pruitt issued an Agency-wide directive today designed to end "sue and settle" practices within the Agency, providing an unprecedented level of public participation and transparency in EPA consent decrees and settlement agreements.

"The days of regulation through litigation are over," said EPA Administrator Scott Pruitt. "We will no longer go behind closed doors and use consent decrees and settlement agreements to resolve lawsuits filed against the Agency by special interest groups where doing so would circumvent the regulatory process set forth by Congress. Additionally, gone are the days of routinely paying tens of thousands of dollars in attorney's fees to these groups with which we swiftly settle."

Over the years, outside the regulatory process, special interest groups have used lawsuits that seek to force federal agencies – especially EPA – to issue regulations that advance their interests and priorities, on their specified timeframe. EPA gets sued by an outside party that is asking the court to compel the Agency to take certain steps, either through change in a statutory duty or enforcing timelines set by the law, and then EPA will acquiesce through a consent decree or settlement agreement, affecting the Agency's obligations under the statute.

More specifically, EPA either commits to taking an action that is not a mandatory requirement under its governing statutes or agrees to a specific, unreasonable timeline to act. Oftentimes, these agreements are reached with little to no public input or transparency. That is regulation through litigation, and it is inconsistent with the authority that Congress has granted and the responsibility to operate in an open and fair manner.

“Sue and settle” cases establish Agency obligations without participation by states and/or the regulated community; foreclose meaningful public participation in rulemaking; effectively force the Agency to reach certain regulatory outcomes; and, cost the American taxpayer millions of dollars.

With today's directive, Administrator Pruitt is ensuring the Agency increase transparency, improve public engagement, and provide accountability to the American public when considering a settlement agreement or consent decree by:

- publishing any notices of intent to sue the Agency within 15 days of receiving the notice;
- publishing any complaints or petitions for review in regard to an environmental law, regulation, or rule in which the Agency is a defendant or respondent in federal court within 15 days of receipt;
- reaching out to and including any states and/or regulated entities affected by potential settlements or consent decrees;
- publishing a list of consent decrees and settlement agreements that govern Agency actions within 30 days, along with any attorney fees paid, and update it within 15 days of any new consent decree or settlement agreement;
- expressly forbidding the practice of entering into any consent decrees that exceed the authority of the courts;
- excluding attorney's fees and litigation costs when settling with those suing the Agency;
- providing sufficient time to issue or modify proposed and final rules, take and consider public comment; and
- publishing any proposed or modified consent decrees and settlements for 30-day public comment, and providing a public hearing on a proposed consent decree or settlement when requested.