

SUMMARY

Comments on EPA Proposal on Cost-Benefit Analysis

August 13, 2018

On August 13, 2018, the [Environmental Protection Network \(EPN\)](#) and [Save EPA](#), two volunteer organizations made up of EPA alumni, filed joint comments expressing serious concerns about EPA's June 2018 notice, "Increasing Consistency and Transparency in Considering Costs and Benefits in the Rulemaking Process." In that notice, EPA asked for public input on whether the agency should change the ways in which costs and benefits are weighed in decision-making under various environmental statutes. Based on their years of regulatory experience, the former EPA staff found the proposal to be ill conceived and unnecessary and raised concerns that it could be used to undermine public health and environmental protections.

The following is a summary of key points in the full comments:

- The notice shows no reason that such changes should be considered; it lacks a clear statement of the problem it would address beyond vague references to past industry comments and complaints.
- The proposal appears to be a fishing expedition for grounds to roll back regulations by hiding their true value, even though the benefits of these measures, in the aggregate, far exceed their costs.
- In particular, the notice asks whether EPA should stop reporting so-called "co-benefits" of reducing targeted pollutants. For example, actions taken under the Mercury and Air Toxics Rule to reduce mercury, arsenic and other toxic pollution from power plants also reduced emissions that form fine particles, providing additional public health benefits through cleaner air. Counting co-benefits is called for under EPA's current economic analysis guidelines and is also the consensus view of the economics profession. Not counting those benefits would seriously understate the value of EPA's regulations.
- EPA has no legal authority to make cost-benefit analysis the uniform and overriding basis for decisions under all the environmental statutes it administers.

EPN and Save EPA supports the use of cost-benefit analysis to provide economic assessment of options for new rules. Cost-benefit analysis is a respected, time-tested tool for describing in an integrated way the quantifiable and non-quantifiable benefits and costs of regulatory alternatives for decision-makers and the public.

Although cost-benefit analysis is a valuable tool, it should not be made the sole basis for decision-making. First, in environmental laws, Congress specified factors that may be considered in setting different types of standards and rules; in some cases, they may allow a cost-benefit approach but in others they do not. Second, cost-benefit analysis is a framework for describing different types of impacts, not a strict decision tool. Some benefits and costs can be quantified and valued in dollar terms, but others cannot. In practice, unquantified benefits are not included in "net benefits" calculations and often receive little attention. Where values can be quantified, there is often significant uncertainty about the correct value. Important considerations such as equity must also be considered. Therefore, cost-benefit analysis cannot and should not be used as a sole basis for regulatory decisions.

For these reasons, EPN and Save EPA strongly recommend that EPA reject the misguided concepts raised in the notice and reevaluate how it is proceeding. The proposal invites poor solutions to problems that are non-existent or ill-defined.

The Environmental Protection Network is a volunteer organization of more than 200 EPA alumni and others who work to preserve the nation's bipartisan legacy of progress toward clean air, water, land and climate protections. EPN tracks EPA, Executive Branch and congressional budgetary and regulatory actions and provides reporters, Hill staff and NGOs objective background information and ground-truths reports and proposed actions.

Save EPA is an all-volunteer organization made up of retired and former employees of the Environmental Protection Agency. Its members have expertise in environmental science, law, economics and policy. It is based in Colorado and has members across the country, using their collective expertise to educate and advocate for public health and environmental protection.

To read EPN's full public comments please select the following link:

<https://www.environmentalprotectionnetwork.org/cost-benefit-analysis/>

For more information:

Contact EPN at info@environmentalprotectionnetwork.org or call 202-656-6229.

Contact Save EPA at saveepamedia@gmail.com

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