

TO: EPA SAB Economic Guidelines Review Panel  
FROM: Roy N. Gamse  
SUBJECT: Your advice to EPA Administrator on Co-benefits  
DATE: June 14, 2020

I gave oral testimony to your panel on April 23 and June 9 focused on co-benefits. After hearing your deliberations on the 9<sup>th</sup>, I would like to supplement my oral testimony with additional perspective on the message to the Administrator and to EPA leadership, since he is on the public record saying that consideration of co-benefits is “dishonest.”

The key point of my testimony was that it is of limited value if your panel persuades EPA to perform excellent economic analyses of co-benefits if EPA then proceeds to ignore co-benefits in making regulatory decisions. **I asked you to urge EPA to use the analysis of co-benefits as the basis for regulations to the extent allowed by statute rather than ignoring the co-benefits** as has been its recent practice.

After being asked a question (I think it was from Dr. Farrow) about advice for staff (vs. advice for EPA decision-makers) and then hearing your discussions differentiating between recommendations for staff vs. decision-makers, I want to emphasize the importance of the advice given to current EPA leadership, given their perspective on co-benefits.

**EPA and Administrator Wheeler have characterized the Obama Administration’s consideration of co-benefits as “dishonest:”**

- “EPA overhauls ‘dishonest’ Obama-era cost-benefit analysis on mercury emissions.” [*Washington Times*, April 16, 2020]
- Wheeler: “Today’s proposed action corrects another dishonest accounting method the previous administration used to justify costly, ineffective regulations.” [EPA News Release, June 4, 2020]

The panel must recognize that EPA did not *casually* ignore the co-benefits in its MATS and “Affordable Clean Energy” rules. It didn’t just choose to give them lesser weight or to ignore them. EPA found counting the co-benefits to be dishonest and illegal.

The SAB has already advised EPA to consider co-benefits and has criticized EPA for ignoring the Board’s advice:

- “The EPA’s Science Advisory Board (SAB) criticized revisions to the MATS rule last year, saying the EPA had ignored the Board’s advice. The SAB cited several scientific studies that back up the findings of economists, with the argument that the EPA failed to consider wide-ranging health benefits that would result from reducing mercury pollution.” [*Power*, April 16, 2020]

If the SAB believes that co-benefits should be fully assessed in broad daylight, so to speak, and considered in decisions to the extent permitted by statute, you cannot be subtle with an audience that shows every sign of burying references to co-benefits in footnotes and disregarding them because of the belief they are dishonest and illegal.

**You must be blunt. Tell the Administrator that co-benefits must be fully assessed and considered fully in setting regulations except where the governing statutes explicitly disallow such consideration.** It would be dishonest for EPA not to consider co-benefits among the benefits of a regulation where the statute allows it.

I urge the panel to send that clear message to EPA. If you somehow conclude that is not appropriate within the panel’s mission, then I urge every member of the panel to make that recommendation to EPA as individuals.

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