

Congress of the United States
Washington, DC 20515

October 3, 2018

Andrew Wheeler
Acting Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Ave NW
Washington, DC 20460

Neomi Rao
Administrator, Office of Information and Regulatory Affairs
Office of Management and Budget
New Executive Office Building, Room 9235
725 17th Street NW
Washington, DC 20503

Dear Acting Administrator Wheeler and Administrator Rao:

We write to express our concerns about the Environmental Protection Agency (EPA) Advance Notice of Proposed Rulemaking entitled “Increasing Consistency and Transparency in Considering Costs and Benefits in the Rulemaking Process,” which was issued on June 7 and open for comment until August 13, 2018. This action asked for public input on how EPA should change its approach to calculating the costs and benefits of proposed environmental rules. Our constituents rely on EPA’s regulations to protect their health and their environment, including the water they drink and air they breathe. In order to make rules strong enough to protect the public, EPA needs to carefully consider the many benefits these rules will have for our health, environment, and economy. We are concerned that EPA is seeking to unfairly emphasize costs to industry and ignore benefits in its rulemakings. We urge EPA and all agencies to not make such damaging changes to cost-benefit analyses.

Cost-benefit analysis has clear consequences for our constituents. If EPA changes its analyses to emphasize costs over benefits, the government may not be allowed to study how much an environmental safeguard could help people. This would make it easier to dismantle regulations on lead in water, standards for protecting against chemicals like PFAS, restrictions on toxic substances like mercury pollution in the air, and controls on asthma-causing particles like petroleum coke. It will also set a dangerous precedent for all agencies, making it very difficult to set rules that enforce our nation’s laws. If an agency does not adequately weigh public benefits when making rules, it will be nearly impossible to pass good regulations that protect our health, environment, and safety.

This recent proposal is unnecessary and biased. EPA already has a clear set of principles for cost-benefit analysis, with consensus from economists on how to quantify benefits. While economic analyses only capture part of the value these rules provide, they clearly show that the benefits commonly outweigh the costs, while actual costs are frequently overestimated. A recent OMB study concluded that the net benefits of EPA safeguards have been overwhelmingly positive, with regulations over a 10-year period having as high as a 13 to 1 benefit to cost ratio.

The rationale for changing cost-benefit analysis is faulty and in contrast to existing legal requirements. In announcing the proposal, EPA echoed misleading arguments by interest groups, stating, “Many have

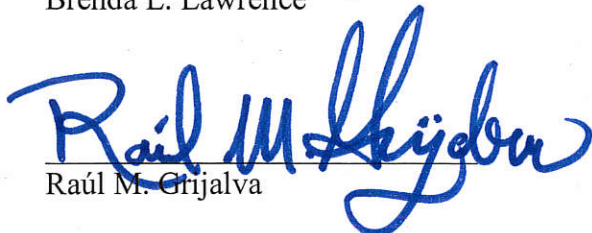
complained that the previous administration inflated the benefits and underestimated the costs of its regulations through questionable cost-benefit analysis." EPA specifically criticized the practice of counting indirect benefits, or additional benefits beyond the target of an agency action. For example, EPA standards aimed at reducing levels of ozone can also indirectly reduce levels of particulate matter, reducing asthma and premature death. In contrast to EPA's assertions, measuring indirect benefits is legally required and non-controversial. OMB guidance clearly states, "analysis should look beyond the direct benefits and direct costs of rulemaking and consider any important ancillary benefits." In the extensive expert literature, there is absolutely no disagreement that counting indirect effects is necessary, and no evidence that EPA has ever double-counted indirect benefits.

This Administration's EPA has already manipulated cost-benefit analyses and ignored benefits in order to repeal key climate regulations, and now wants to make its approach permanent. For example, it has ignored indirect benefits, such as reductions of asthma-causing particulate matter, even though these reductions quantifiably increase life expectancy, cut health-related costs, and reduce lost wages. In its proposal to roll back the Clean Water Rule, EPA ignored studies of the benefits of clean water as outdated because they were a couple of decades old, but then relied on studies of costs from the same time. Instead of perpetuating its faulty approach to analysis, EPA should follow the law and properly consider all benefits of regulations. If EPA proceeds with this rulemaking, it will undermine the credibility of regulatory cost-benefit analysis by reinforcing the idea that an administration can manipulate analysis to support its policy agenda.

We urge you not to change EPA's cost-benefit analysis measures or reduce consideration of benefits. Any new scheme that deemphasizes benefits and emphasizes costs would stack the deck against public health and safety, endanger future safeguards for clean air and water, and set a dangerous precedent for all agencies. Instead of continuing this initiative, EPA should dedicate its limited resources to carrying out its mission and addressing the contaminated water and air that many of our constituents face every day.

Sincerely,



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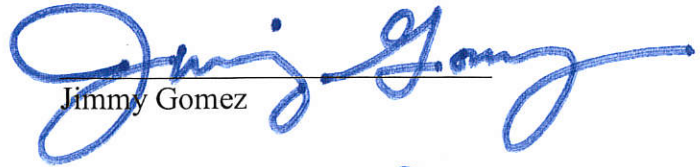
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Jimmy Gomez



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