



August 3, 2020

Mr. Leif Hockstad
Office of Air Policy and Program Support
Environmental Protection Agency
1200 Pennsylvania Avenue NW,
Washington, DC 20460

RE: Increasing Consistency and Transparency in Considering Benefits and Costs in the Clean Air Act Rulemaking Process

Dear Mr. Hockstad:

The National Taxpayers Union (NTU) is pleased to submit the following comments in response to the Environmental Protection Agency's (EPA) proposed rule on "Increasing Consistency and Transparency in Considering Benefits and Costs in the Clean Air Act Rulemaking Process." NTU applauds EPA Administrator Andrew Wheeler's proposal to formalize cost-benefit analysis into agency rulemaking for regulations pertaining to the Clean Air Act. We believe that this rule will promote transparency and consistency in future rulemakings - a change that not only will have economic benefits, but allow for a more targeted approach to reducing air pollution.

Founded in 1969, NTU is the nation's oldest taxpayer advocacy organization. As a nonpartisan nonprofit, NTU has been an influential voice in shaping state and federal fiscal and regulatory policy for over fifty years and has written to this Agency on numerous occasions. Specifically, over the last several years we have advocated for significant changes to the harmful renewable fuel standard, a repeal of tight standards regulating ozone, and other rules that impact job creation. Far too often, the government - including the EPA - has implemented overly prescriptive regulations that drastically raise costs on businesses and stifle economic growth. It is important to note that these costs are either absorbed by the regulated business, passed along to the consumer through higher prices, or a combination of both.

In the years preceding the start of the Trump administration, the EPA was responsible for some of the costliest regulations in U.S. history, particularly when it comes to its air-pollution regulations. Thankfully, under this administration, fifty-seven overreaching regulations relating to the environment have been cut or greatly changed, according to a running tracker by the Brookings Institution. The EPA should be praised for its continued commitment to retool or repeal burdensome regulations that harm workers, investors, and job creators.

The purpose of the June 11, 2020 proposed rule is to make sure any significant rules written under the Clean Air Act "ensure that information regarding the benefits and costs of regulatory decisions is provided and considered in a consistent and transparent manner." This proposed regulation will increase the usage of more accurate

cost-benefit analysis and lead to better, more effective regulation at the EPA, as it will ensure that any new rules are achieving their intended goals in an effective manner. Importantly, this process will better serve the businesses that must comply with these regulations and the taxpayers, who often bear their costs.

While EPA has performed Benefit-Cost Analysis on Clean Air Act rules for decades, the proposed rule, for the first time in EPA history, adjusts how these benefits and costs are taken into account and weighed in significant rulemaking authorities over \$100 million. The most meaningful proposed change addresses co-benefits, or ancillary benefits not directly related to the specific outcome of regulating a targeted pollutant. [According to the American Action Forum](#): “Co-benefits have been used in the past to justify expensive regulations that would not have been net-beneficial if only considering the impact of the rule on the targeted pollutant. While the proposed rule calls for EPA to identify co-benefits, the value of those is to be removed from the direct benefits and should not drive a regulatory decision.”

By altering what can be considered a benefit, the proposed rule standardizes the process to ensure greater consistency and reduce the possibility of undue influence. As you may know, NTU has long called for more standardized usage of cost-benefit analyses for spending and regulatory actions across the entire federal government, which also includes standardizing definitions at the agency and coding best practices. Importantly, taxpayers are best served when the government must be mindful of the actual costs and actual benefits associated with its actions. The EPA and other federal departments and agencies should continue this trend and integrate more effective cost-benefit analysis into their rulemaking processes.

The use of CBA is one of the most important tools in a regulator’s toolbox. It is a primary tool to address the overarching question of why should we regulate and how far should the regulation go. Environmental protection must be top of mind for this agency - and NTU supports regulations to achieve this outcome - but these “benefits” must be weighed against the “costs” of operations critical to national economic vitality.

Nonetheless, for the aforementioned reasons, NTU respectfully submits this comment in support of the Proposed Rule on Increasing Consistency and Transparency in Considering Benefits and Costs in the Clean Air Act Rulemaking Process. NTU is at your service to further assist you in your deliberations and we are thankful for your consideration of our views.

Sincerely,

Thomas Aiello
Policy and Government Affairs Manager