

Oral Testimony of Kyle Isakower, Senior Vice President for Regulatory and Energy Policy, American Council for Capital Formation on EPA Proposed Rule: “Increasing Consistency in Considering Benefits and Costs in the Clean Air Act Rulemaking Process”

July 1, 2020

Good morning, my name is Kyle Isakower, Senior Vice President for Regulatory and Energy Policy at the American Council for Capital Formation. ACCF is a nonprofit, nonpartisan economic policy organization dedicated to the advocacy of pro-growth tax, energy, environmental, regulatory, trade and economic policies that encourage investment in the US economy. ACCF appreciates the opportunity to provide comment to EPA on its proposed rulemaking to increase consistency in considering benefits and costs in the Clean Air Act rulemaking process.

ACCF supports EPA’s efforts to standardize and add transparency to benefit-cost analyses in the Clean Air Act regulatory process, and offers the following specific comments:

Since 1981, Presidents of both parties have issued multiple Executive Orders and OMB Circulars calling for the use of benefit-cost analysis for significant agency actions. This proposal simply makes this a regulatory requirement.

The proposal calls for use of the best available scientific information, and "best practices" across multiple fields of science. All stakeholders in the regulatory process should be able to rely on EPA to use "best practices" regardless of which party controls the Oval Office.

The proposal would also require EPA add transparency by publishing their benefit-cost analyses in a manner that is objective, comprehensive, and reproducible. Similarly, the data and analytical conclusions must be presented in a manner that is easily understood. To the extent possible, EPA must make public all the data and models that were used in the analysis to reach their conclusions. Further, the final rule must make clear that uncertainties in data or modeling are made transparent to stakeholders. Stakeholders on both sides deserve to know the data, models, and assumptions our government uses to make regulatory decisions, and the uncertainties associated with them.

This transparency should clearly identify what are targeted benefits and what are non-targeted co-benefits. Importantly regarding co-benefits, the benefits of reducing non-targeted compounds **should** be considered in benefit-cost analyses. However, co-benefits **should not** be the primary driver in regulatory decision-making! If a benefit-cost analysis demonstrates that this is the case, then the rule is targeting the wrong compound and should not move forward!

In conclusion, ACCF supports this proposal because it will:

- Require that EPA adopt best practices in how it assesses risks, benefits and costs;
- Ensure that EPA conducts more systematic reviews of existing studies and models using clear criteria;
- Provide stakeholders with a greater understanding of how EPA will estimate benefits and costs, enhancing their ability to more effectively participate in the rulemaking process;
- Enable greater public involvement resulting in more complete and accurate analysis of the benefits and costs; and

- Acknowledge key uncertainties in the benefit or cost estimates that may be critical in final decision-making.

Thank you again for the opportunity to present to you today.