

EPA's backward accounting protects polluters, not the people

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Cost-benefit analysis. It's an idea originally promoted by industry lobbyists to push regulatory agencies to tot up the costs and benefits of safeguards for health, safety, and the environment, after first translating them into dollars-and-cents terms. Industry's goal was to delay and weaken public protections while cloaking the effort in a veil of arithmetic precision.

In 1981, the Reagan administration was only too happy to take up the cost-benefit cause, enshrining the idea in an executive order. The tortured process of weighing Americans' health and lives against industry profit routinely understated the benefits of environmental, health and safety

protections and overstated the costs of industry compliance. As a result, regulatory safeguards were frequently watered down or squelched.

Then a funny thing started happening. Even when working within this industry-rigged system, the Environmental Protection Agency (EPA) found that the monetary benefits of some of our most important public health and environmental rules far exceeded their costs.

How did this happen? The EPA has gotten better at accounting for the benefits of addressing two specific harms — particulate matter and climate disruption — because of significant advances in the relevant fields of science and environmental economics. We now know that particulate pollution — fine particles suspended in the air we breathe — kills people. Similarly, we're already getting a taste of how bad unchecked climate disruption will be for everyone.

Because the harms of particulate matter and climate disruption are so great, the benefits of addressing them turn out to be worth a lot of money. Consequently, when proposed regulations have a positive effect on climate or particulate matter, the calculable benefits go up, even for rules that aren't aimed directly at either.

While industry has dressed its support of cost-benefit analysis in the garb of "sound policymaking," its real motivation has always been evading the costs of cleaning up its pollution. Polluters banked on the EPA and other agencies never being able to measure the vast majority of benefits in dollar terms (things like saving human lives and preventing cancer). Now that science and more accurate accounting have disrupted their game, they're demanding their friends at the Trump EPA change the rules — again.

In response, EPA Administrator Andrew Wheeler and his departing air quality deputy Bill Wehrum — both former industry lobbyists — have commenced work on a "benefits-busting" project that would re-rig the cost-benefit game in industry's favor. In May, Wheeler directed each of the agency's program offices to launch formal rulemakings that would overhaul how they perform cost-benefit analyses on future rules. Before resigning, Wehrum set the agency's air office to writing the first of these proposals. (This appears to be one of Wehrum's last official acts before leaving the agency under an ethics cloud.)

Particulate matter and climate are likely to be the main targets of Wehrum's swan song. The proposal will likely jettison particulate matter from many cost-benefit calculations by changing how the agency treats "co-benefits" — those

that a rule produces even though they are not its principal objective. Since particulate matter is a byproduct of burning fossil fuels, any regulation that limits these activities saves lives by reducing particulate emissions. Barring co-benefits from the equation or establishing arbitrary limits on their consideration flies in the face of well-established economics, sound science and common sense.

On climate, the proposal will likely formalize the Trump administration's efforts to gut the Obama-era social cost of carbon (SCC), an attempt to put a value on reducing greenhouse gas emissions. The Obama administration set the SCC at about \$45 per ton of carbon dioxide (though some economists would put it much higher, at over \$1,000). The Trump EPA has proposed using a SCC as low as \$1 per ton by disregarding harms U.S. emissions cause to other countries and future generations.

The Trump EPA is already relying on these head-in-the-sand accounting tactics to justify rolling back some of the agency's most important environmental and public health rules. By writing these tricks into a binding benefits-busting rule, EPA would hobble future efforts to protect public health and the environment. Indeed, this will be a powerful tool for polluters in defeating air pollution safeguards.

The American public deserves honest accounting. Congress should conduct vigorous oversight of the Trump EPA's efforts to transform the implementation of bedrock laws like the Clean Air Act into a loaded dice game in which public health and the environment always lose.

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