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Critics Of House Bill To Delay EPA Rules Tout Regulatory Benefits Report

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In a bid to bolster opposition to a House vote later this week on a bill to indefinitely delay several major EPA regulations, environmentalists are touting a new report showing that the estimated benefits of key agency air, water and other rules will far outweigh their economic costs by a ratio of as much as 20-to-1.

The Economic Policy Institute (EPI) Sept. 16 released "The Combined Effect of the Obama EPA Rules," tallying the combined costs and benefits of a number of EPA rules finalized by the Obama administration costing more than \$100 million per year. The report finds the estimated health and environmental benefits of the rules to equal between \$21 billion and \$100 billion per year, compared to combined annual costs of \$5.1 billion to \$10.9 billion.

The report comes as the House is slated to vote on or after Sept. 21 on H.R. 2401, the Transparency in Regulatory Analysis of Impacts on the Nation (TRAIN) Act of 2011, which passed 33-13 out of the Energy & Commerce Committee in July. The bill would require the creation of an inter-agency committee to assess the "cumulative and incremental impacts" of several EPA rules, and delay major agency regulations pending that review.

Among the rules the bill would stall are a proposed air maximum achievable control technology (MACT) air toxics rule for power plants and its recently finalized Cross-State Air Pollution Rule (CSAPR) cap-and-trade rule to cut the transport of utilities' sulfur dioxide (SO₂) and nitrogen oxide (NO_x) emissions that takes effect next year.

CSAPR and other rules would be on hold indefinitely until the inter-agency panel completes its assessment on their impacts. The legislation includes a provision that would revive the Bush EPA's Clean Air Interstate Rule -- a utility SO₂ and NO_x trading program remanded to EPA by a federal appeals court -- while CSAPR is on hold.

Environmental and other groups united under the Coalition for Sensible Safeguards are attacking the bill, with a Sept. 19 statement from the coalition warning it would delay vital rules and impose "unnecessary analysis."

In the statement, Scott Slesinger, legislative director at the Natural Resources Defense Council -- a member of the coalition -- said that the bill would "create a costly inter-agency panel that would second-guess the work of EPA scientists and other professionals, wasting time, taxpayer dollars and limited agency resources."

TRAIN Act advocates say the inter-agency review is vital to address concerns about massive adverse economic impacts from EPA regulations, which critics say are harming jobs during the poor economy. But the coalition in its statement also touted EPI's report as rebutting the "false assumptions promoted by the TRAIN Act," because it finds the benefits of EPA's rules in terms of lives saved and other benefits far outweigh their costs.

'Counterproductive Distraction'

Report author Isaac Shapiro in a Sept. 19 interview with *Inside EPA* said the House hearings and legislative agenda, as well as the surrounding political rhetoric, is a "counterproductive distraction," and said lawmakers should focus efforts on "policies that will lead to increased employment," rather than attacking the rules as too costly.

"I think the rhetoric has been quite overblown," Shapiro added. "The combined costs [of the rules] are a small sliver of the economy and would be offset by the economic benefits," he said.

The report found that combined costs for all the rules would be 0.1 percent of the economy. "Anything that size is not going to be a primary [factor] in the direction of the economy," Shapiro said.

The EPI report further says two EPA rules -- the utility MACT and a separate stalled final boiler MACT that EPA is reconsidering -- would also have benefits that outweigh their costs. The proposed cooling water intake rule, however, could cost between \$388 million and \$463 million, combined with only between \$16 million and \$18 million in benefits, though the report says benefits information on the rule is incomplete. The numbers in the EPI report are largely based on estimates by the White House's Office of Management & Budget, as well as EPA.

The Clean Energy Group, a coalition of energy groups that supports the utility MACT, is also looking to increase support for the utility MACT among lawmakers in a series of briefings this week. The group says many companies have already made the necessary investments to comply with the rule, and says concerns about electricity reliability being compromised because of the rule have been rejected by the Federal Energy Regulatory Commission.

A source with the group says the new rules are a "predictable, reasonable" approach to regulating power plant emissions. The source says many companies opposed to the rule have at the same time assured investors and analysts on Wall Street that they will be able to comply with the MACT. The source says some companies have "an advantage in the marketplace today and want to keep that advantage for as long as possible." -- Aaron Lovell (alovell@iwpnews.com)