

ORAL TESTIMONY ON EPA’S PROPOSAL:
“INCREASING CONSISTENCY AND TRANSPARENCY IN CONSIDERING BENEFITS AND
COSTS IN THE CLEAN AIR ACT RULEMAKING PROCESS”

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July 1, 2020

Good morning, my name is Howard J. Feldman and I am senior counselor for Policy, Economics & Regulatory Affairs with the American Petroleum Institute. API is the only national trade association representing all facets of the oil and natural gas industry, which supports more than 10 million U.S. jobs and over 7 percent of the U.S. economy. Our members recognize their responsibility to work with the public, the government, and others to develop and to use natural resources in an environmentally sound manner while protecting the health and safety of our employees and the public.

API offers the following comments on the EPA’s proposed rule on “Increasing Consistency and Transparency in Considering Benefits and Costs in the Clean Air Act Rulemaking Process.” To be clear, API supports this proposal to provide consistency and greater transparency in analyzing the benefits and costs of proposed rules. API submitted detailed comments on August 13, 2018 in response to the previous Advanced Notice of Proposed Rulemaking and we encourage the Agency to consider those comments and exhibits again.

We encourage the EPA to finalize this proposal expeditiously and, to the extent possible, require that data and analyses used in establishing and evaluating environmental, health, welfare and economic impacts be transparent and replicable. Consistent and transparent calculation and consideration of regulatory benefits and costs are required in numerous statutes and executive orders, and were mandated precisely for the purpose of improving the efficacy of environmental regulation and the allocation of both industry and agency resources. Efforts to improve the consistency and transparency of these analyses should not, therefore, be viewed as an abandonment of the Agency’s pursuit of improved environmental outcomes – nor has API ever advocated for such a result. Rather, responsible public policy should rely on a more rational prioritization of resources that is informed by a meaningful weighing of compliance burdens

against the risks, in full consideration of the uncertainty associated with those risks. This proposal is a critical step toward that important goal.

It is essential that EPA explicitly require rulemakings to address and highlight uncertainties in data, models and analyses used in decision-making. This is particularly important when models are used to quantify benefits of an action at levels at or below existing standards or background concentrations of a regulated substance. The final rule should require explicit information that supports policy decisions, including the scientific, economic, and environmental impact data and models used to predict health and environment impacts, benefits, costs, and/or market impacts of specific regulatory interventions. Of course, benefits should not be double counted. Benefits should be presented for the targeted pollutant, in addition to the presentation of total benefits. Costs should be calculated using best practice tools to determine the full costs of a regulation.

The administration's regulatory reform efforts are rightly focused on EPA's foundational charge of protecting human health and the environment. This proposal is a step forward in providing a consistent process for new regulations to calculate benefits and costs that can inform the Agency as how to move forward with a rulemaking initiative. Implementation of a robust benefit and cost analysis process could support the Agency's and other stakeholders' foci on rulemakings with the best opportunities to maximize societal benefit.

API supports regulatory actions that protect human health and the environment. In the past decade the nation continues to achieve environmental progress under current regulations. Specifically, [according to the EPA](#), combined emissions from the six common pollutants declined by 7 percent from 2017 to 2019. From 2018 to 2019, the number of days listed as unhealthy for sensitive groups dropped by 40 percent across the U.S. as the amount of criteria pollutants in our air continued to fall. Americans are breathing the cleanest air in decades as the combined emissions of criteria and precursor pollutants were reduced by 77 percent between 1970 and 2019.

The oil and natural gas industry has contributed substantially to these improvements, both by reducing its direct emissions and by supplying cleaner fuels to the power and transportation sectors. Under improved Clean Air Act provisions such as those being proposed in this rule, continued innovation and

technologies developed by the oil and natural gas industry can build on these achievements and provide benefits based on sound benefit-cost analyses.

In closing, through this rule EPA should ensure that future rulemakings use clear and consistent data and approaches and show how the agency justifies proposed rules to benefit all of society. API appreciates the opportunities to provide these comments and our forthcoming detailed written comments. We look forward to working with EPA and other stakeholders to improve the Agency's consideration of benefits and costs.