

July 31, 2020

Comments Submitted by Paul Prentice on the Proposed Rule: "Increasing Consistency and Transparency in Considering Benefits and Costs in the Clean Air Act Rulemaking Process"

Document ID: EPA-HQ-OAR-2020-0044-0001

Dear Administrator Wheeler:

I would like to respectfully submit my comments on the proposed rulemaking posted by the Environmental Protection Agency (EPA) on June 11, 2020, with the intention of ensuring that information related to the calculation of the benefits and costs of regulatory decisions is provided and considered in a consistent and transparent manner.

Especially in times of economic duress, American businesses need as much certainty as possible to invest for the future, hire workers, and risk capital. Understanding the regulatory landscape facing them is a key factor, as seeing the full scope and cost of potential regulations leads to higher confidence and greater investment. Regulation is most efficient and effective when its costs are transparent, which is why it is critical that the EPA clarify, standardize, and demystify its regulatory processes.

Over the past sixty years, the federal regulatory code has ballooned by 850% while the U.S. population merely doubled. In just the past 22 years, businesses have been burdened with more than 88,000 new rules, with 15,458 of those identified by the federal government itself as hurting small businesses. These rules are extremely costly. At last count, the Federal Register of rules and regulations, at 175,496 pages, imposed an estimated \$1.9 trillion annually in direct costs, lost productivity, and higher prices on the American economy.

For those reasons, I join others in supporting the current proposal to require a full account of costs and benefits when it comes to EPA rulemaking. There are two important factors to this rulemaking, consistency and transparency:

1. When proposing new rules, regulators should be as open as possible about their assumptions, the uncertainties they encounter, and the breakdown of total costs and benefits. As the proposed rulemaking states, these processes should employ best practices from "the economic, engineering, physical, and biological sciences," whenever possible. Once those practices are established, regulators would consistently apply terms and practices in their analysis.
2. Regulators must also develop additional procedural requirements to increase transparency of the results of cost-benefit analysis for the American public. By establishing a clearer and more detailed presentation of the conclusions for both benefits and costs, we can ensure a full and objective accounting of regulatory costs.

It is also reasonable for regulators to look at existing rules retrospectively, determining whether those rules hold up to the scrutiny of a cost and benefit test after years of real-world implementation. Even the best estimates are not always sound and it is important that we monitor rules that potentially create high burdens with little or no benefit.

Presidents of both parties since 1981 have expressed support for using cost-benefit analysis in some form, with many including the requirement that costs be exceeded or justified by benefits. President Clinton's Executive Order 12866 was a major step in the right direction, outlining twelve "Principles for Regulation" and specifying best practices for assessing impacts of new regulations. Much of Clinton's order was later supported and refined by the Bush, Obama, and Trump Administrations.

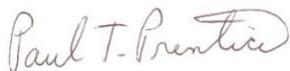
Paying closer attention to costs and benefits doesn't just help businesses. It will also help consumers and taxpayers. Policymakers benefit, too, from a better understanding of what regulatory proposals will cost and how those new costs compare to a rule's benefits. Using this approach, the public can have greater confidence that resources are being guided by lawmakers in a way that makes sense. The entire economy will be better off.

Years of study have concluded that a clear, consistent regulatory roadmap is the most effective way to create jobs and investment in the United States. That result can come, in part, from requiring EPA to be as transparent as possible about the costs and benefits of its rules. With decades of bipartisan support and strong research in hand, it's time to meaningfully reform EPA's rulemaking process.

Completing this reform soon, hopefully within the year, can set the U.S. economy and the businesses that drive it toward a trajectory of stronger growth.

Sincerely,

Paul T. Prentice

A handwritten signature in cursive script that reads "Paul T. Prentice".

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