



## EPA RULES: GOOD FOR OUR HEALTH, AND OUR ECONOMY

“... the dollar value of the benefits of the major rules finalized or proposed by the EPA so far during the Obama administration exceeds the rules’ costs by an exceptionally wide margin. Health benefits in terms of lives saved and illnesses avoided will be enormous.”

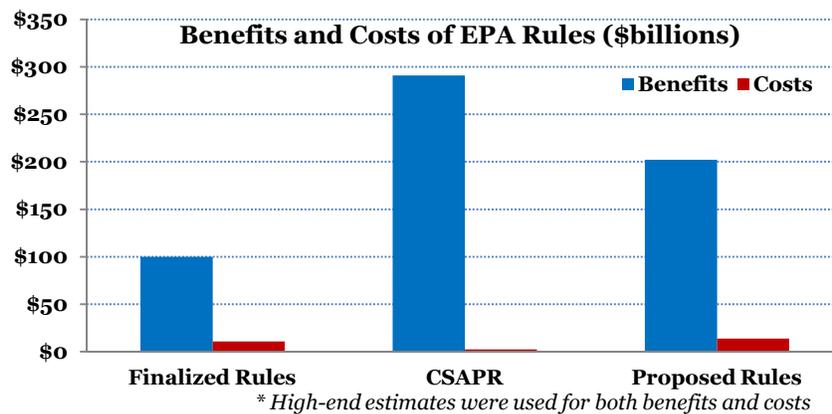
- Economic Policy Institute (EPI)<sup>i</sup>

A recent analysis from the Economic Policy Institute, “The Combined Effect of the Obama EPA Rules,”<sup>ii</sup> confirms that the EPA rules including both those that have already been finalized as well as those currently in proposal stage, will achieve benefits that vastly outweigh their costs.

The majority of these benefits come in the form of lives saved (or avoided premature mortality). For example, in combination, the Cross-State Air Pollution (CSAPR), Mercury and Air Toxics, and Boiler MACT rules alone would *save an estimated 22,300 to 57,500 lives a year*.

Here are some specifics from the EPI analysis<sup>iii</sup>:

- Setting aside the CSAPR, the combined annual benefits from all **final** major rules<sup>iv</sup> exceed their costs by \$10 billion to \$95 billion a year. The benefit/cost ratio ranges from 2-to-1 to 20-to-1.
- The net benefits from the **CSAPR** range from \$112 to \$289 billion a year.<sup>v</sup>
- The combined annual benefits from three major **proposed** rules exceed their costs by \$62 billion to \$188 billion a year. The benefit/cost ratio ranges from 6-to-1 to 15-to-1.



Further, an earlier report from EPI examined the employment impacts of the Mercury and Air Toxics rule, finding that it would have a positive net impact on overall employment, likely leading to the creation of 28,000 to 158,000 jobs between now and 2015.<sup>vi</sup> And as Josh Bivens of the EPI recently pointed out in his testimony to the U.S. House of Representatives, “... calls to delay implementation of the rule based on vague appeals to wider economic weakness have the case entirely backward – there is no better time than now, from a job-creation perspective, to move forward with these rules.”<sup>vii</sup>

The bottom line is that the EPA rules are not only good for our health, but also our economy.

---

<sup>i</sup> Shapiro, Isaac. “*The Combined Effect of the Obama EPA Rules: Total costs of proposed and finalized rules represent only about 0.1 percent of the economy and are far outweighed by cumulative benefits.*” Economic Policy Institute (EPI), EPI Briefing Paper #327, September 16, 2011.

<http://www.epi.org/files/2011/BriefingPaper327.pdf>

<sup>ii</sup> *Ibid.*

As EPI discusses, while the data, methodologies, analytic tools, and assumptions that EPA uses are all subject to rigorous scrutiny, it is impossible to quantify all of the benefits and costs of regulations. For example, in several cases, the EPA points out that data, resource, and methodological limitations prevent quantification or monetization of the benefits from several important categories, including benefits from reducing toxic emissions, ecosystem effects, and visibility impairment. The likely result is that the benefits to costs ratios should be considered conservative, since benefits are not fully accounted for and costs may be overstated.

<sup>iii</sup> EPI’s figures are presented in 2010 dollars in order to be consistent across rules, since different sources present their data in different dollars.

<sup>iv</sup> Major rules are defined as those that meet criteria such as a predicted annual effect on the economy of \$100 million or more.

<sup>v</sup> This rule is treated separately by EPI because benefits accruing from action under the Bush administration and the Obama administration cannot be disentangled.

<sup>vi</sup> Bivens, Josh. “*A Lifesaver, Not a Job Killer: EPA’s proposed “air toxics rule” is no threat to job growth.*”

Economic Policy Institute (EPI), EPI Briefing Paper #312, June 14, 2011.

[http://www.epi.org/publication/a\\_life\\_saver\\_not\\_a\\_job\\_killer/](http://www.epi.org/publication/a_life_saver_not_a_job_killer/)

<sup>vii</sup> Bivens, Josh. Economic Policy Institute. “Testimony before the U.S. House of Representatives Committee on Oversight and Government Reform, for a hearing on “Lights Out II: Should the EPA Take a Step Back to Fully Consider Utility MACT’s Impact on Job Creation?”” November 1, 2011, page 2.

[http://oversight.house.gov/images/stories/Testimony/11-1-11\\_Bivens\\_MACT\\_Testimony.pdf](http://oversight.house.gov/images/stories/Testimony/11-1-11_Bivens_MACT_Testimony.pdf)