Citizens for a Sound Economy Foundation

CSEFAX ON NAAQS

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Surprising Critics of the New Clean Air Standards: The U.S. Government*

by Dana C. Joel
Deputy Director of Regulatory Affairs

U.S. Environmental Protection Agency (EPA) Administrator Carol Browner would have us believe that only big business is critical of the new standards for clean air (ground-level ozone and $PM_{2.5}$) proposed by the EPA last November. But comments from federal agencies submitted during the administration's own interagency review process indicate both serious and enormous concerns within the Clinton administration over the new measures. These concerns pertain both to the economic impact of the standards and the lack of scientific evidence justifying the new standards.

The following lists only some of the major concerns various federal agencies have voiced after reviewing EPA's proposed National Ambient Air Quality Standards (NAAQS):

Council of Economic Advisors (CEA), Executive Office of the President

The EPA's projected costs for the new ozone standards vastly underestimate the true costs: "Costs are high, and the RIA [Regulatory Impact Analysis] understates the true costs of stricter standards by orders of magnitude[.] ... [The Council of Economic Advisors] estimates indicate that the cost of full attainment could be up to $60 billion."[1] (CEA Comments on Ozone Standards, Draft, Office of Information and Regulatory Affairs [OIRA], Office of Management and Budget [OMB] from Alicia Munnell, Member, Council of Economic Advisors, 12/13/96.)

The new ozone standards don't reflect the findings of the EPA's own staff paper which shows a weak link between ozone levels and mortality: "The Staff Paper — which reviews the science on ozone's health effects — indicates that the evidence linking ozone concentrations and mortality is not strong enough to warrant considering mortality reduction in ... the standards. The benefits presented in the RIA ... [are] not supported by the criteria document." (CEA Comments on Ozone Standards, see above.)

Department of Transportation

Standards for ozone and $PM_{2.5}$ would bring too many areas of the nation into nonattainment: "The impacts ... on highway funding, as well as on stationary sources, could affect much larger areas, going well beyond those envisioned when the 1990 Amendments were passed[.] ... The enforcement consequences of these mandates would thus likely be profound." (Letter to Sally Katzen, Administrator, OIRA, OMB, from Frank E. Kruesi, Assistant Secretary for Transportation Policy, Department of Transportation (DOT), 11/20/96.)

*For a more complete report on federal agency comments, call CSE Foundation at (202) 783-3870.

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[1] Note: The EPA's estimated cost for the new ozone standard is $2.5 billion per year.

Standards could impact industry and the economy and change accustomed lifestyles: "Control measures needed to meet the standards could have significant economic impacts on industry, including previously unregulated businesses, and require lifestyle changes by a significant part of the U.S. population." (DOT letter to OMB, see above.)

Office of Science and Technology Policy, Executive Office of the President

There isn't enough scientific evidence linking $PM_{2.5}$ with mortality and morbidity: "The database for actual levels of $PM_{2.5}$ is also very poor, and only a handful of studies have actually studied $PM_{2.5}$, *per se*. And current data do not support clear associations of PM effects with either fine particles ($PM_{2.5}$), inhalable particles (PM_{10} or PM_{15}), [or] sulfate, so that causality for the observed mortality and morbidity effects cannot be established." (Draft memorandum to Sally Katzen, Administrator, OIRA, OMB, from Rosina Bierbaum, Acting Associate Director for Environment, Office of Science and Technology Policy, 11/15/96.)

Department of Commerce

Much of $PM_{2.5}$ in the air is created naturally: "How does the proposed new standard [for $PM_{2.5}$] relate to the natural levels of particulate matter in the atmosphere? For example, Saharan dust can be detected on the Eastern coast of the U.S. during extended periods. Will the new standard have the flexibility to avoid placing requirements on cities that are influenced by particulate matter from natural sources far from their location?" (Memorandum to Michael Fitzpatrick, Special Assistant, OIRA, OMB, from Jeffrey Hunker, Deputy Assistant to the Secretary, Commerce Department, 12/18/96).

Small Business Administration

Concerns over ozone standard's economic impact on small business: "In the draft regulation, EPA [states] that the revision of the ozone NAAQS will not have a 'significant economic impact on a substantial number of small entities.' Considering the large economic impacts suggested by EPA's own analysis that will unquestionably fall on tens of thousands, if not hundreds of thousands of small businesses, this would be a startling proposition to the small business community." (Letter to Carol Browner, EPA Administrator, EPA, from Jere Glover, Chief Counsel for Advocacy, U.S. Small Business Administration, 11/18/96.)

Recommendations for Small Business Regulatory Enforcement Fairness Act (SBREFA) review: "SBREFA does apply to this rulemaking." (Letter to EPA, see above.)

Department of Agriculture (USDA)

The EPA does not provide enough information on how the new ozone standards will affect farmers: "We share the concerns of the Small Business Administration regarding the potential impacts of these proposals on small businesses. Can EPA address these concerns before the final rule is issued?" ("Issues Concerning the PM and Ozone Rules," to Michael Fitzpatrick, Special Assistant, OIRA, OMB, from the Office of the Secretary, USDA, 12/18/96.)

This is one in a series of summaries called "Fax on NAAQS" that CSE Foundation will produce periodically on the EPA's new proposed National Ambient Air Quality Standards (NAAQS) or clean air standards.