

ROY GAMSE COMMENTS ON THE SAB REVIEW AT THE PUBLIC TELECONFERENCE  
ON THE REVISED GUIDELINES FOR PREPAING ECONOMIC ANALYSIS  
NOVEMBER 12, 2020

I am Roy Gamse. I was responsible for EPA's economic analysis in the Nixon, Ford, Carter, and Reagan Administrations.

I commend the members of the SAB Economic Analysis Review Panel for their work in reviewing and making recommendations for improving the draft revised guidelines prepared by EPA staff. You have done a magnificent job in identifying important ways to improve the guidelines and providing specific steps EPA should take to do so.

I have a few recommendations for you to consider.

First, the recommendations of the SAB panel emphasize clearly the need for the guidelines to require analysis of ancillary benefits and risks, rather than bury them in an obscure footnote and obfuscate them via confusing terminology, as the current EPA draft does. I commend you for the language in Section 2.7.4 on pages 43 – 44 and in Section 2.8.4 on pages 54 – 55. The eighth bullet point on page 55 says *“The text of the Guidance should include an unequivocal endorsement of OMB’s call for identification and consideration of ‘ancillary benefits’ and ancillary costs.”*

Please do not water down those recommendations.

**I urge you to go one step further and include in point 6 of your cover letter to the Administrator similar language recommending endorsement of OMB’s call for identification and consideration of ancillary benefits and costs.** It is important to highlight for this Administrator and future ones the importance of not just doing the analysis but also considering it in making decisions within the bounds of applicable law. Why go this extra step to say what should be obvious to all? Because this Administrator has in several major decisions had the staff do the analysis of ancillary benefits and then explicitly rejected considering them by labeling them as (quote) “dishonest” analyses on April 15 and “dishonest” accounting on June 4.

It does no good for EPA to do the analyses just right and then totally ignore, even reject, those analyses. If all your excellent work were to accomplish only that, then you're wasting your time (and quite a lot of it!). Please add language on this issue to your cover letter.

In making my second recommendation, I'll remind you of the discussion in the September 15 SAB meeting of the proposed rule on considering benefits and costs for Clean Air Act rules. That discussion referenced the interdependence of the proposed Clean Air Act rule and the much more detailed EPA Economic Analysis Guidelines with the implication that the more detailed Guidelines were necessary to flesh out and explain the requirements of the proposed rule. I'll be the first to tell you that EPA's proposed Clean Air Act rule is unnecessary due to the existence of OMB Circular A-4 and the EPA Guidelines and that it could lead to procedural mischief by those seeking only to slow down regulation. But I hope you will recommend that, **if EPA proceeds with its Clean Air Act benefit-cost rule, it should issue it either simultaneous with, or after, finalizing the revised economic analysis guidelines.**

My last point relates to Section 2.5.3 on page 26, which says: *"In selecting models and underlying studies, the analyst should give a preference to models and studies where the documentation and data are publicly available"* and goes on to say that if models or studies are used which are not publicly available, the RIA should explain the reasons for using them.

This appears to be a way to incorporate the requirements of EPA's proposed science transparency rule into the economic analysis guidelines. As the SAB has commented, the proposed science transparency rule is controversial, and it has raised opposition from the AAAS and a number of other science-related nonprofits and journals. There is absolutely no reason for this requirement, which may never appear in a promulgated regulation, to be included in economic analysis guidelines. It's irrelevant to the economic analysis. **The sentence about preference for studies with publicly available data quoted above, and the next two sentences, should be dropped from the SAB comments; and if such a requirement appears anywhere in the EPA draft, it should be deleted there too.**

Thank you for the opportunity to comment. Again, I congratulate the panel for its constructive, thorough review of EPA's draft guidelines.