

Oral Statement by

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on behalf of the

American Petroleum Institute

at the

U.S. Environmental Protection Agency

Chartered Science Advisory Board

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Good morning, my name is Ted Steichen, and I am a Senior Policy Advisor at the American Petroleum Institute. API is the only national trade association representing all facets of the oil and natural gas industry, which supports 10.3 million U.S. jobs and nearly 8 percent of the U.S. economy. API's more than 600 members span the industry.

I have submitted two documents for inclusion as Meeting Materials, the API comments on the U.S. Environmental Protection Agency's Proposed Rule on "Strengthening Transparency in Regulatory Science" (83 Fed. Reg. 18,768 (April 30, 2018)) and the API comments on the Advanced Notice of Proposed Rulemaking on "Increasing Consistency and Transparency in Considering Costs and Benefits in the Rulemaking Process" (83 Fed. Reg. 27,524 (June 13, 2018)) for the SAB's consideration.

My statement today will be focused on the Self-Initiated Project Proposal entitled: "Scientific Issues in Identifying, Estimating, and Validating the Co-Benefits of Clean-Air Regulations".

As proposed this self-initiated project identifies two limitations, namely that the SAB is aware there may be unintended harms or costs of rulemaking that occur, but states those are not the focus of this project. Further the proposal states that the SAB is aware that there may also be legal and policy issues associated with the use of co-benefits in regulatory decision making, but the legal and policy issues are outside the scope of this project.

Not including an evaluation of the appropriateness of including co-benefits, and the costs of rulemaking would appear to limit the usefulness of the output of this project. Since co-benefits often dominate the results of the Regulatory Impact Analysis their evaluation is important, but the self-initiated project caveats may not align with the Agency's efforts.

As the SAB considers their self-initiated project, API requests careful consideration of how this project will support the Administrator's plans as transmitted to the Assistant Administrators in his May 13, 2019 memo moving forward on the subject of the June 2018 ANPRM. It could potentially be confusing to have this SAB effort underway simultaneously.

API commented on the EPA ANPRM and supports EPA's interest in improving the consistency and transparency of its calculation and consideration of regulatory costs and benefits. These economic considerations, which are required in numerous statutes and executive orders, were mandated precisely for the purpose of improving the efficacy of environmental regulation and the allocation of both industry and Agency resources.

An effort to improve the consistency and transparency of these analyses should not, therefore, be viewed as an effort to abandon 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. The ANPRM and

the memo from the Administrator are critical steps toward that important goal.

API appreciates the opportunity to provide these oral comments. We look forward to working with EPA in improving the transparency and consistency of the Agency's consideration of costs and benefits, including the appropriate use of co-benefits. If the self-initiated project proceeds, API also looks forward to providing further input to the SAB.