Press Release

EPA Rule Deals Blow to Use of Co-Benefits

ALLISON EDWARDS | APRIL 21, 2020

The Obama Administration commonly used the co-benefits of regulations — incidental benefits not directly related to the central regulatory focus — to justify regulations. For example, a 2012 rule regulating mercury claimed $90 billion in benefits despite only $6 million coming from mercury reductions. Last week the Environmental Protection Agency (EPA) finalized a rule that changes the weight of co-benefits in cost-benefit calculations. This change has implications for other future rulemakings and could lead to additional deregulation in the future, writes AAF's Director of Regulatory Policy Dan Bosch, although it will likely face legal challenge.

An excerpt:

> *The most immediate implication of EPA's finding is that EPA will likely now seek to establish its view of co-benefits in the regulatory code. EPA is expected soon to propose a rule on how it weighs costs and benefits for the purposes of the Clean Air Act (CAA). EPA published an advanced notice of proposed rulemaking in 2018, and the Office of Information and Regulatory Affairs is currently reviewing a proposal. Codifying how co-benefits factor into a cost-benefit analysis would require future CAA regulations to adhere to those rules. Future administrations could undo such codification, but such a change would require going through the time-consuming rulemaking process.*

Read the analysis.