



## **Industrial Energy Consumers of America**

*The Voice of the Industrial Energy Consumers*

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1776 K Street, NW, Suite 720 • Washington, D.C. 20006  
Telephone (202) 223-1420 • [www.ieca-us.org](http://www.ieca-us.org)

August 13, 2018

Ms. Elizabeth Kopits  
Office of Policy  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue NW  
Mail Code 1809T  
Washington, DC 20460

***Re: Increasing Consistency and Transparency in Considering Costs and Benefits in the Rulemaking Process, Docket ID No. EPA-HQ-OA-2018-0107***

The member companies of the Industrial Energy Consumers of America (IECA) thank you for pursuing this very important topic. IECA member companies compete with others from all over the world. Global competition is fierce and so our costs must be competitive or we do not survive. If costs exceed our ability to compete, manufacturing companies move production facilities to offshore locations, which moves emissions, capital investments and jobs offshore, an undesirable outcome. At the same time, we are fully supportive of complying with environmental regulations. That said, improvement is needed to achieve environmental goals at least-cost. Regulations should not do more harm than good. It is for this reason that we are pleased to submit the following comments into the record.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 3,700 facilities nationwide, and with more than 1.7 million employees. IECA membership represents a diverse set of industries including: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, brewing, independent oil refining, and cement.

IECA strongly supports the consideration of costs and benefits when implementing regulatory statutes as a high priority for regulatory reform. It is also consistent with presidential executive orders requiring cost-benefit balancing since early 1981, when President Ronald Reagan issued Executive Order 12291. However, full implementation of these executive orders has been inhibited by the regulatory agencies, including the EPA. In our view, all regulatory agencies would benefit from conducting more rigorous cost-benefit analysis when developing and implementing their regulations. We feel

EPA's interpretation of statutes has limited their ability to fully and properly engage in cost-benefit balancing, even though the statutes do not prohibit it. This is extremely important for EPA since EPA's regulatory actions are extremely impactful on manufacturers. Because U.S. manufacturing sectors are heavily regulated by EPA, cost-benefit balancing is very important to ensure U.S. manufacturing can remain competitive in a global economy. When benefits do not justify the costs it creates an imbalance, which disadvantages manufacturers, while not providing benefits for the environment or society. Benefits must justify costs for when developing new regulations and when implementing regulations.

EPA has the authority to issue a regulation specifying how the Agency will address costs and benefits in the development, promulgation, and implementation of regulations under its various statutory authorities. Issuing a single regulation focused on increasing consistency and transparency in considering costs and benefits in the rulemaking process would also improve the likelihood that questions concerning those procedures would be resolved in a single consolidated proceeding for judicial review, rather than in multiple, potentially conflicting opinions. This would be a very good outcome.

When EPA considers benefits for any new regulation, the cost-benefit analysis should not include co-benefits. EPA should be transparent about any significant scientific uncertainty and should not double count the same benefits in multiple rules. A regulation should not do more harm than good and the benefits must justify the costs. EPA should not consider new rules without first carefully considering existing rules that regulate the same emission. **Many times, additional regulations are added to existing industry requirements without any analysis of the protectiveness of the current state. A retrospective review would enable EPA to quantify the additional benefits and costs with more certainty and clarity.** Lastly, the rule should require a "least-cost" implementation.

Thank you again for your effort to improve transparency and the cost-effectiveness of regulation. This is an important endeavor. Please let us know if we may be of additional assistance.

Sincerely,

Paul N. Cicio  
President