

Since Ronald Reagan's time, there has been a consensus among conservatives that cost-benefit analysis (CBA) should be the gold standard for regulation. That approach has given them common ground with moderates such as Cass Sunstein, many economists (whether liberal or conservative), and at least a few scholars more environmentally inclined. Cost-benefit analysis has had its critics, but largely from the left. But now conservatives are showing increasing disenchantment with cost-benefit analysis. Specifically, they like the consideration of costs but are increasingly unenthusiastic about the benefits side of the equation. In the Trump era, costs play an increasing role in regulatory policy, both in Congress and the executive branch, whereas benefits are increasingly sidelined or underestimated. We might call this Benefit-Blind Analysis to highlight the difference. It would be tempting, however, to call it "Fair and Balanced" Analysis, in honor of the old Fox News motto.

Consider the following the moves by the Trump Administration:

- Trump's two-for-one executive order forbids agencies to issue new rules, regardless of their net benefits, unless they repeal two other regulations. Thus, the only factor is the cost of the new regulation versus the costs of the repealed regulations — literally Benefit-Blind Analysis. In his latest book, cost-benefit advocate Cass Sunstein denounces this rule as a betrayal of the basic principle of cost-benefit analysis. He makes a very convincing argument.
- The choice of regulations to repeal is based entirely on their costs. The degree to which costs are offset by benefits is not a factor in setting priorities for repeal. That's one thing Sunstein objects to. It's a bizarre way to set priorities.
- The head of OIRA, the White House regulatory czar, rarely mentions regulatory benefits compared to frequent discussions of regulatory costs and the virtues of repealing regulations that already passed cost-benefit analysis. (She's being rewarded for her hostility to public interest regulation with a seat on the D.C. Circuit.)
- An EPA proposed rule would exclude scientific evidence of regulatory benefits (but not costs) unless the data behind the study is made public. This would probably have a drastic effect on the ability of EPA to consider major public health studies. That proposal apparently was seen as too extreme even by the White House, but it says a lot about their basic values.
- As anti-regulatory conservatives have long advocated, EPA is also considering excluding some important benefits to public health from consideration altogether because they don't directly stem from the pollutant being

regulated. In some cases, this means ignoring thousands of deaths prevented by existing rules and repealing them anyway.

- EPA also excludes consideration of the global effects of climate change from its analysis, even though climate change is a global problem requiring a global solution. And it uses a parameter called the discount rate to minimize the significance given to anything but short-term climate impacts.

It's not necessarily impossible to defend any individual item on this list (although I see little excuse for some of them). But taken together, they show an obsession with regulatory costs that seems to far eclipse attention to regulatory benefits. There's still lip service paid to cost-benefit analysis by the administration, but they don't really expect to find a lot of regulations who get through this gauntlet and manage to pass cost-benefit analysis.

If I were a professional economist, or a devotee of cost-benefit analysis like Cass Sunstein, I would find this extremely disturbing. Cost-benefit analysis is supposed to be based on economic rationality – the idea that decisions should be based on a rigorous assessment of the balance between costs and benefits. It's not economically rational to weight costs more heavily than benefits, to exclude relevant reliable evidence, or to systematically ignore a category of benefits. If you made investments that way, you'd go broke fast.

Environmentalists have often complained about cost-benefit analysis. But at least CBA gives equal weight to regulatory benefits, though it may fail to capture them adequately. So there's an entry point for environmental considerations. But that entry point is being gradually blocked in this Administration, in favor of a world-view that sees regulations as all cost, no benefit. Of course, that only applies to regulations designed to protect consumers, workers, and the environment. Costs are seen as irrelevant when we're talking about trade restrictions or anti-immigration efforts.