In the past week, we've gotten a glimpse of what the next two years will look like. On the one hand, chaos in Congress. On the other hand, quiet progress toward environmental goals by the Biden Administration. Both trends are likely to continue throughout this Congress and the second half of the presidential term.

The chaos is common knowledge. Much as Netanyahu's desperate quest to become prime minister led to unprecedented power for a small band extreme right-wingers in Israel, Kevin McCarthy's campaign to become speaker led to a flood of concessions to his far-right wing. That wing of the party is dedicated to gutting government spending, for domestic agencies like EPA but also for defense and social security.

We'll have to see how that plays out, but we know that some of the battles will be over EPA's budget and more broadly over spending on clean energy. It's hard to believe that we will escape having one or more government shutdowns, perhaps lengthy ones.

While all the drama in the House was going on, the Biden Administration announced two new actions. First, EPA proposed cutting levels of dangerous fine particulates (PM2.5) by 16-25%, with the exact level to be set later. Cutting particulates by 25% percent, EPA estimates, could save up to 4,200 lives per year and result in as much as \$43 billion in net health benefits by 2032. The costs of decreasing emissions are dwarfed by the benefits. Depending on the level of stringency of the annual PM2.5 ceiling, there are at least fifty times the annual benefits as annualized costs and possibly much more. (Table 2 of the EO 12866 discussion).

Second, the Administration issued new <u>guidance</u> on consideration of climate change in environmental impact statements. Notably, the guidance advises use of the social cost of carbon as a way to give the public a better sense of the meaningfulness of emission changes. It also requires consideration of the indirect emission impacts of a project, such as the ultimate burning of fossil fuels obtained from federal lands. In addition, there are detailed guidelines about considering the impact of climate change on a project -- for instance, how sea level rise might affect a coastal infrastructure project.

Besides the different implications for the environment, what's happening in Congress and what the Administration is doing have remarkably different tones. House Republicans were engaged in frenzied negotiations with tempers fraying; the head of the Armed Services Committee had to be restrained from physically assaulting a holdout voter. The Administration documents reflect calm, a measured tone, and careful analysis. This difference in tone is likely to thread through the rest of the two-year congressional term.

A Taste of Things to Come | 2