

The *NY Times* [reports](#) that the Trump Administration plans to give up on quantifying the environmental benefits of EPA regulations. In theory, that should please environmentalists who have criticized this practice since Reagan first required it 45 years ago. And maybe it will allow a future President to ramp up environmental regulation. Right now, of course, the intent is quite the contrary. Obviously, the Administration just wants to stop considering the environmental benefits that the regulations are meant to achieve.

At this point, the change only applies to harm from ozone and fine particulates, which are the target of most air pollution rules. The purported justification is that the health effects of these pollutants are too uncertain to be quantified. It's hard to find regulatory benefits that can be quantified more precisely than these well-studied health benefits. But cost-benefit analysis without the benefits doesn't do anything to restrain or guide policymaking. So this Administration action may amount to a stealth repeal of Reagan's original executive order requiring agencies to do cost-benefit analysis.

In my view, this drastic move is partly due to the Trump Administration's resistance to economic analysis in any form, whether at the Fed or at EPA. It's also an implicit recognition that the Administration's deregulatory actions won't hold up under any defensible cost-benefit analysis, because the environmental benefits clearly outweigh compliance costs. Conservatives fell out of love with cost-benefit analysis once it became clear that important regulations were actually justified economically.

The Administration will have a hard time justifying its new approach to decision making. For one thing, while the estimates of environmental benefits are uncertain, so are estimates of compliance costs, which are quite often wrong. It also seems arbitrary and capricious to respond to uncertainty by eliminating environmental benefits from the analysis, since there are less-radical ways of dealing with uncertainty, such as providing a range of possible estimates of environmental benefits. Moreover, it may be hard to make the case that the benefits of reducing air pollution are so scientifically uncertain that they can't be reasonably estimated.

In addition, the Supreme Court has helped push for cost-benefit analysis. In [Michigan v. EPA](#), the Court said:

One would not say that it is even rational, never mind "appropriate," to impose billions of dollars in economic costs in return for a few dollars in health or

environmental benefits. In addition, “cost” includes more than the expense of complying with regulations; any disadvantage could be termed a cost. EPA’s interpretation precludes the Agency from considering any type of cost—including, for instance, harms that regulation might do to human health or the environment. ... No regulation is “appropriate” if it does significantly more harm than good.

In a later passage, Justice Scalia’s majority opinion reemphasized that in this setting, cost “includes more than the expense of complying with regulations; any disadvantage could be termed a cost,” including “harms that regulation might do to human health or the environment.” Or, one might add, harms that a *deregulation* might do to human health or the environment. Furthermore, in the earlier [Benzene Case](#), the Court called on agencies to quantify the health risks posed by toxic chemicals. There’s at least an argument that EPA’s move violates these precepts.

Maybe the Administration means to keep cost-benefit analysis in place for some other kinds of regulations at EPA or elsewhere. But if the courts uphold EPA’s refusal to quantify the enormous harms caused by air pollution, it’s hard to see an argument for quantifying many other regulatory benefits. As I said at the beginning, in other settings, environmentalists might applaud the repeal of cost-benefit analysis. In the current setting, however, the purpose is all too plain: to make it easier for the Administration to ignore the ways it is endangering human life and health.