

**United States Senate**

**REPUBLICAN POLICY COMMITTEE**

Larry E. Craig, Chairman



Jade West, Staff Director

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**We'll Regulate Those Polluters Behind the Tree. . .**

**EPA Implies Free Ride for Clean Air,  
Especially for Farmers**

On July 16, 1997, Environmental Protection Agency Administrator Browner signed the controversial Ozone and Particulates (PM 2.5) rules. The rules are now final, published (*Fed. Reg.* 38652 et seq., 7/18/97), and in litigation (*American Trucking Association v. Environmental Protection Agency*, U.S.Cir. Ct. D.C.Cir.). Some things, however, remain the same. These rules are still very expensive, are of questionable net benefits, and are based on incomplete science. And EPA now admits the rules **will affect 634 U.S. counties**: (546 will violate the ozone rule, **five times** the 106 counties currently in ozone nonattainment; and 283 counties will violate the PM 2.5 rule, **seven times** the 41 counties now violating the PM-10 standards).

**EPA Continues to Exaggerate the Benefits . . .**

Administrator Browner repeatedly asserts that the rules, taken together, "will protect 125 million Americans, including 35 million children, from the adverse health effects of breathing polluted air." Certainly, everything we do to scrub the air will have at least some benefit for people. However, just like distilled water may have better health benefits than tap water for 267 million Americans, the real issue is whether the incremental health benefits are worth the additional cost. EPA declined to choose a zero-tolerance standard for ozone or PM 2.5, and so the agency has already made judgement calls based on economics, not just health. EPA originally admitted that its ozone rule would save few lives, and its PM health claims continue to be questioned.

**. . .Especially to Farmers:**

In her July 22 testimony before the Senate Agriculture Committee, Browner was effusive about the economic benefits of the new ozone rules, declaring that "EPA estimates that full compliance . . . would result in more than \$500 million in benefits to the American farmer." This number, like much of EPA's hyperbole, seems pulled out of the air. EPA's original estimate for the **proposed** ozone rule -- which was

slightly **more stringent** than the final rule -- was only \$207 million a year in agricultural benefits. However, neither Browner's unfounded \$500 million number nor the EPA's \$207 million estimate for the proposed rule bothered to subtract from the purported benefits *the \$100 million a year in agricultural damage caused by increased ultraviolet light* (due to decreasing the protective ozone shield), a calculation EPA used in 1993 when issuing rules banning CFC's. In truth, EPA's Clean Air Scientific Advisory Committee warned EPA that " the absolute values of the numbers are highly uncertain estimates of crop losses and are a result of a propagation of uncertainties. They are rough estimates and this should be explicitly stated in this discussion."

### **. . . And Downplay the Costs:**

Economic costs for the final rules were not discussed in either Browner's nor her Assistant Administrator for Air Mary Nichols' written testimony, nor was the final Regulatory Impact Analysis included in the Federal Register. The President's Council of Economic Advisors estimated that full attainment under the proposed PM and Ozone rules would cost between \$12 billion and \$60 billion a year. Although the EPA's plan to allow areas currently in ozone nonattainment to stay on their current ozone attainment plans until 2000 (unless they are not projected to reach attainment by 2000) will reduce the implementation cost somewhat, that delay could increase costs on other areas subject to the new standards, due to transport of ozone by the weather from one area to another. The Regulatory Analysis Program at George Mason University estimated that the proposed ozone rule will cost \$80 billion per year. Since the fine particulates rule was finalized before the monitoring was even conducted, the costs of reaching the PM 2.5 standards remain a matter of speculation.

### **. . . Especially for Rural Areas:**

"Don't worry, this won't affect you" seems to be the EPA's new favorite pickup line. During the July 22 Agriculture Committee hearing, Browner stated that "the EPA will not focus regulatory efforts on farm tilling activities." She noted that one of the relatively few monitors (not of a type that will be used by EPA in the future) that EPA has operated in a heavily agricultural area -- the San Joaquin Valley in California -- found that tilling and wind erosion accounted for less than 6 percent of the total PM 2.5 measured, while the bulk of the measured 2.5 emissions came "from motor vehicles and stationary combustion sources." *So, it would seem that farmers will be OK so long they do not use motor vehicles or electricity.* Also of serious concern is the fact that CITGO Petroleum's test monitor placed this year in the middle of a virtually unoccupied stretch of the Tall Grass Prairie Preserve in Oklahoma registered a violation of the new PM 2.5 standard. Under EPA's plan it will be five years (two to establish monitors plus three years of data collection) before anyone really knows how many rural areas will be in nonattainment under the new rule.

### **Powerplants Aren't the Only Ones Behind the Tree**

In her testimony before the Committee on Environment and Public Works on July 24, 1997, Nichols assured the assembled Senators that autos will not be targeted, "so long as they continue to do what they

are doing," and again stressed that the EPA would be targeting electric utilities and other stationary sources. The Edison Electric Institute states that electric utilities produce only 29 percent of the country's NOx and less than 1 percent of the country's volatile organic compounds. Thus, these two ozone precursors will have to be reduced elsewhere to meet the new ozone standards. Watch your back, especially you farmers, and car drivers, and small businesses, and....

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