



Ignored Benefits: Trump Nixing \$2.1 Trillion in Benefits Via Regulatory Cuts

Trump's Anti-Regulation Zealots Ignore Benefits of Health, Safety, Worker, Consumer and Environmental Protections

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September 26, 2018 -- The Trump administration wants to deprive Americans of more than \$2.1 trillion in benefits to American consumers, workers and the U.S. economy over the next two decades by enacting reckless deregulatory rollbacks, a Public Citizen analysis finds. If Trump achieves this misguided goal, the potential loss would amount to about \$16,700 per household, far exceed any cost savings for businesses. The research highlights how Trump's crusade against regulations is the product of special-interest lobbying rather than a serious effort to promote economic growth.

Cost-benefit analysis has been part of federal rulemaking since the 1980s. Under an order signed by President Reagan [in 1981](#), federal agencies must analyze whether the potential societal benefits of regulations outweigh the potential costs. This sort of analysis is routinely used by business groups to derail life-saving regulations despite valid concerns about the difficulty of assigning dollar values to hard-to-quantify benefits such as clean air and human life. But federal agencies have devoted exhaustive study in recent years demonstrating the economic benefits of those rules.

Public Citizen's examination of 13 rules repealed, delayed or targeted for repeal by the Trump administration found that more than \$105 billion in benefits, on average, will be lost every year from 2020 through 2040 if the Trump administration erases these rules or enacts toothless replacements. These at-risk benefits which would cost each household about \$836 per year, vastly exceeding the rules' average annual costs of nearly \$21 billion. The benefits are also far higher than the administration's claimed savings of [at least \\$570 million](#) per year through regulatory rollbacks.

Public Citizen's analysis primarily uses economic cost-benefit numbers developed when these rules were proposed or enacted during the Obama administration rather than misleading numbers published by the Trump administration to justify their repeal. In some cases, as noted in Table 3, we use numbers from expert sources that calculate the benefit to consumers or workers, rather than to the entire economy.

¹ This report was completed with assistance from Public Citizen Regulatory Policy Advocate Amit Narang ,with editing from Public Citizen President Robert Weissman as well as Public Citizen Research Director Taylor Lincoln. Dan Becker of the Safe Climate Campaign, Dave Cooke of Union of Concerned Scientists, Lauren Urbanek and John Walke of Natural Resources Defense Council and Andrew deLaski of the Appliance Standards Awareness Project provided input.

Table 1: Benefits of Targeted or Eliminated Rules, 2020-2040 (\$ Billions)

Rule	Agency	Annual Benefit (Low)	Annual Benefit (High)	Average Yearly Benefit
Clean Car Standards	EPA/NHTSA	\$8.55	\$119.40	\$63.98
Fiduciary	Labor	\$17.00	\$17.00	\$17.00
Glider' truck pollution*	EPA	\$6.00	\$14.00	\$10.00
Energy efficient light bulbs	Energy	\$3.60	\$14.20	\$8.90
Ozone	EPA	\$1.50	\$3.50	\$2.50
Overtime	Labor	\$1.20	\$1.20	\$1.20
Methane	EPA	\$0.50	\$0.60	\$0.55
Battery backup efficiency	Energy	\$0.26	\$0.46	\$0.36
Public lands methane	Interior	\$0.21	\$0.40	\$0.31
Air conditioner efficiency	Energy	\$0.21	\$0.33	\$0.27
Packaged Boiler efficiency	Energy	\$0.09	\$0.30	\$0.20
Oil rig safety	Interior	\$0.16	\$0.16	\$0.16
Air compressor efficiency	Energy	\$0.03	\$0.07	\$0.05
TOTALS		\$39.31	\$171.63	\$105.47

Table 2: Costs of Targeted or Eliminated Rules, 2020-2040 (\$ Billions)

Rule	Agency	Annual Cost (Low)	Annual Cost (High)	Average Yearly Cost
Clean Car Standards	EPA/NHTSA	\$9.19	\$22.60	\$15.90
Fiduciary	Labor	\$1.00	\$3.20	\$2.10
Glider' truck pollution*	EPA	n/a	n/a	n/a
Energy efficient light bulbs	Energy	\$0.00	\$1.80	\$0.90
Ozone	EPA	\$0.70	\$0.70	\$0.70
Methane	EPA	\$0.40	\$0.50	\$0.45
Overtime	Labor	\$0.30	\$0.30	\$0.30
Public lands methane	Interior	\$0.11	\$0.28	\$0.19
Battery backup efficiency	Energy	\$0.12	\$0.16	\$0.14
Oil rig safety	Interior	\$0.09	\$0.10	\$0.10
Air conditioner efficiency	Energy	\$0.05	\$0.06	\$0.06
Packaged Boiler efficiency	Energy	\$0.03	\$0.04	\$0.04
Air compressor efficiency	Energy	\$0.01	\$0.01	\$0.01
TOTALS		\$11.99	\$29.70	\$20.83

*Note: Acting EPA Administrator Andrew Wheeler has reversed the Trump's administration's decision to not enforce this truck-engine rule but still may go ahead with a rollback. The EPA has estimated benefits, but not costs, for this glider truck regulation, which is a piece of a broader rulemaking on truck emissions.

Public Citizen's analysis excludes some important rules. For example, it does not include the impact of replacing Obama-era rules regulating carbon dioxide emissions from power plants. Though that rule was initially expected to bring large economic benefits, many of those benefits have been achieved far earlier than expected as inexpensive natural gas forces the retirement of coal power plants. Additionally, the Obama-era carbon rules were not allowed to go into effect due to an unfavorable Supreme Court decision. Furthermore, Public Citizen's analysis also does not include [the rollback](#) of a rule curtailing mercury pollution from power plants, as power plant owners have already made the necessary upgrades to implement the rule, and several states might still require the use of such equipment. If we had included the benefits from those rules, our \$2.1 trillion lost benefit figure would be far higher.

Under [an executive order signed](#) by President Clinton in 1993 and a [similar order](#) signed by President Obama, federal regulators almost always proceed only with new regulations when [monetized benefits](#) outweigh the costs. This kind of calculation tends to overstate the costs of rules, primarily based on information provided by industry, and underestimate benefits. Often missing from these calculations are benefits such as privacy, averted pain and suffering, democracy, equality and fairness. Often, the benefits of new regulations are immense, such as efforts to mitigate global climate change, and far greater than just those benefits that agencies can calculate. In many cases, particularly for pollution and energy efficiency standards, the economic benefits of regulation often dramatically exceed the costs.

A case in point is Trump's recent proposal to roll back automotive fuel economy and greenhouse gas standards. Despite [objections](#) from career EPA career officials, the administration implausibly claimed that the rollback would result in increased safety as consumers would be more likely to buy new cars without the added cost of fuel economy technology. In fact, improved fuel economy can motivate consumers to buy newer car models. Meanwhile, an analysis by Trump's own EPA backs up this point, acknowledging that the Trump rollback plan would increase emissions of air pollutants both from vehicle tailpipes and from fuel refining at a societal cost of [\\$800 million to \\$1.2 billion through 2026](#). Meanwhile, one analysis [finds](#) that freezing federal vehicle standards at 2020 levels would boost consumer spending on gasoline by \$20 billion in 2025, lead to 60,000 fewer jobs and an \$8 billion decline in gross domestic product in 2025.

Still, the Trump administration as well as corporate-allied critics, focus obsessively and exclusively on regulatory costs without acknowledging or taking into account regulatory benefits. One of the Trump administration's early actions was an executive order that conveniently ignored the "benefit" side of the cost-benefit equation by [directing](#) federal agencies to repeal at least two federal regulations for every new rule they issue. (Public Citizen is suing the Trump administration over the legality and constitutionality of the deregulatory executive order) This sort of approach would be better described as [cost-cost analysis](#). In the Trump administration's view, regulatory benefits are not even part of the picture.

The Trump administration also has put key rules on ice despite the considerable net benefits. For example, the administration has refused to publish in the Federal Register four beneficial energy efficiency rules, and even [appealed](#) a federal judge's [ruling](#) that it must do so. Trump officials have also worked to undermine the regulatory process, particularly by [cooking the books](#) and lowering or eliminating consideration of [benefits that are lost](#) when rules are repealed.

When trying to repeal rules its industry allies dislike, the Trump administration often employs logic that is sloppy at best. For example, under former EPA Administrator Scott Pruitt, the agency last year proposed to [repeal](#) pollution requirements for super-polluting diesel freight trucks created by dropping old engines into new truck bodies. This “glider truck” proposal was virtually devoid of any evidence or analysis of why the repeal was necessary, ignoring the agency’s legal responsibility to demonstrate its rules are the product of [reasoned decision-making](#) based on sound science and economics. Given that a glider truck can emit up to 450 times the particulate matter and up 43 times the nitrous oxide of new trucks, these issues deserve a serious, professional review. The repeal would cost Americans \$6 billion to \$14 billion in benefits every single year. More recently, the EPA’s acting administrator, Andrew Wheeler, [has backed down](#) on Pruitt’s plan to not enforce the glider rule but still appears likely to proceed with a repeal.

The Trump administration has even failed to consider the possibility that federal rules may benefit the public. In a proposal to roll back offshore drilling safety standards, the Interior Department neglected to mention any benefit to society that would be forgone if the rule were to be repealed. The benefits, including natural resource damage, personal injuries, the cost of spill containment and impact to commercial fishing, could add up to \$163 million per year, according to government [calculations](#). Yet, the Interior Department only calculated the safety rule’s costs to oil and gas companies. As Sen. Bill Nelson (D.-Fla.) [wrote in a letter](#) to the Interior Department, the proposal “places its entire justification on oil company profits and completely ignores potential economic costs to the lives and safety” of oil industry workers and coastal communities.

Trump officials also are undermining [efforts](#) to incorporate forecasts of [the economic damage](#) caused by climate change into government rule-writing. The Obama administration calculated that, based on the global damages from climate change, each ton of carbon emissions would cost the world economy \$54 in 2030. But the Trump administration [lowered this figure](#) to \$7 a ton, a move that artificially diminishes the climate change impact of the administration’s deregulatory agenda.

In a similar vein, the EPA has proposed [eliminating](#) ancillary benefits, known as co-benefits, from its cost-benefit calculations. For example, [power plant regulations](#) intended to reduce mercury levels in the air can also have the extra benefit of curbing soot in the air. And rules designed to lower carbon emissions also reduce other kinds of pollution. Just as the Trump administration wishes to study the impact of regulatory changes on employers and jobs, it should take the impacts on [public health just as seriously](#).

Although pro-corporate think tanks and analysts have developed a cottage industry of generating fanciful estimates of the cost of regulation, overall costs are not consequential compared with the size of the U.S. economy. Thus, analysts at Goldman Sachs studied whether job growth and capital spending have been stronger in sectors and companies that were more highly regulated before the most recent election and [found](#) “no evidence that employment or capital spending accelerated more after the election in areas where regulatory burdens are higher.” They found the results “not surprising,” partly because [“the estimated costs of regulation are not that high.”](#) Relatedly, a study by a libertarian economist at George Mason University found [no correlation](#) between increased federal regulation and the formation of startups or tendency of workers to switch jobs or move for new jobs.

Americans have seen firsthand that cutting regulations can lead to economic devastation. The deregulation of Wall Street in the 1990s and 2000s led to the financial crisis of 2008 and the Great Recession, cost

Americans up to \$14 trillion, destroyed 8.7 million jobs and caused workers' pension funds to lose nearly a third of their value. The Trump administration's deregulatory obsession is costing America, massively. The "[deconstruction of the administrative state](#)" may sound appealing in abstract terms, but in blocking and rolling back key rules, the administration is inflicting needless pain on Americans every single day.

Table 3: Details of Rules Targeted or Eliminated by Trump Administration

Rule	Agency	Description	Status	Annual benefit	Costs
Clean car standards	EPA /NHTSA	Fuel economy and greenhouse gas emissions rules for new vehicles.	Replacement rule proposed	Source: Public Citizen tally of costs from EPA's 2012 regulatory impact analysis of 2017-2025 light duty vehicle standards (page vi, table 2) and 2016 midterm evaluation of 2022-2025 light duty vehicle standards. (page A-183, table C.87)	Source: Public Citizen tally of costs from EPA's 2012 regulatory impact analysis of 2017-2025 light duty vehicle standards (page vi, table 2) and 2016 midterm evaluation of 2022-2025 light duty vehicle standards. (page A-183, table C.87)
Fiduciary (investor protection)	Labor	Financial advisers must put clients' interests above their own.	Overturned in court decision, Labor Dept did not appeal, and rule died.	Aggregate annual cost of conflicted advice is about \$17 billion each year, per Obama administration analysis .	\$1B-\$3.2B annually over 10 years.
Energy efficient light bulbs	Energy	Stricter standards for light bulbs.	Energy Department may withdraw	\$3.6 billion in consumer savings on electricity bills in 2020, rising to \$14.2 billion in 2025, then falling to \$10 billion by 2040. Source: Andrew DeLaski, Appliance Standards Awareness Project	\$1.8 billion in increased consumer spending on light bulbs, falling below zero by 2025 due to less-frequent bulb changes Source: Appliance Standards Awareness Project /American Council for an Energy-Efficient Economy
"Glider" engine emission requirements	EPAA	Used engines installed in new truck bodies must meet same emission standards as new engines.	Acting EPA Administrator Wheeler reversed decision to not enforce glider rule, but may go ahead with rollback.	Removal of all unrestricted glider vehicle emissions from the atmosphere would yield between \$6B to \$14B in annual benefits.	N/A: The EPA has estimated benefits but not costs, for this which is a part of a broader rulemaking on truck emissions.
Ozone	EPA	Ground-level ozone standards	Delayed, under review	\$1.5B/year to \$3.5B/year Source: 2016 OIRA report (page 23)	\$700M/year Source: 2016 OIRA report (page 23)
Overtime pay	Labor	Requires overtime pay for workers making up to \$47,476 year.	Struck down by court after challenge from business groups.	\$1.2B/year for workers, per rule.	\$295.1M/year in direct costs to employers
Methane emissions from oil and gas sector	EPA	Methane leaks at oil well sites	Rollback proposed.	\$500M/year- \$600M/year Source: 2017 OIRA report (page 24)	\$400M/year- \$500M/year Source: 2017 OIRA report (page 24)

Battery backup/uninterruptible power Supplies	Energy	Energy efficiency standards for battery backup systems	Delayed, lawsuit pending	\$260M to \$666M Source: Final rule (Page 15)	\$118 to \$157M Source: Final rule (Page 15)
Public lands methane	Interior	Regulation of methane leaks on public lands	Rollback finalized .	Source: Page 5-6 of Interior Department Regulatory Impact Analysis https://www.regulations.gov/document?D=BLM-2016-0001-9127	Source: Page 5-6 of Interior Department Regulatory Impact Analysis' https://www.regulations.gov/document?D=BLM-2016-0001-9127
Portable Air Conditioners	Energy	Energy efficiency standards for portable air conditioners	Delayed, lawsuit pending	\$213M to \$448M Source: Final rule (Page 16)	\$53.3M to \$61 M (higher consumer prices) Source: Final rule (Page 16)
Commercial Packaged Boilers	Energy	Energy efficiency standards for commercial packaged boilers	Delayed, lawsuit pending	\$90M-\$261M Source: Final rule (Page 17)	\$31M to \$37M Source: Final rule (Page 17)
Oil rig safety	Interior	Safety valve for offshore oil rigs	Rollback proposed	\$157.2M -\$163.3M/year	\$92.7M-\$97.7M/year
Air Compressors	Energy	Energy efficiency standards for air compressors	Delayed, lawsuit pending	\$30M to \$113M Source : Final rule (Page 16)	\$8.8M to \$12M Source Final rule (Page 16)