Analytic Blueprint: EPA Model Plan for Agency Completion of Quality Benefit Cost Analysis

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Disclaimer

Any views expressed are my own, and not necessarily those of the Office of Advocacy, Small Business Administration, or the US Government
• Created by Congress in 1976.

• Representing small business before Congress, the White House, and the federal agencies.

• Works with federal agencies to find alternatives to proposed rules that are disproportionately burdensome to small business.

• Mandated by Congress to research topics important to small business.

• Chief Counsel leads the independent office.
• 1994: First EPA Analytic Blueprint Guidance
• 2001: EPA Regulatory Task Force reaffirmed need for blueprints
• Starting Point for High Quality Rulemakings
Better science and economic analysis
Broader consideration of policy options
Greater accountability
Blueprints reaffirmed – Use blueprints to address all significant rule issues
Strengthen stakeholder involvement early in the process
Urges EPA to ensure that blueprints are “central to identifying scientific data and analyses”

Critical science should be identified early and developed in time for decision making

EPA agrees about the need for “more consistent independent peer review”
2004 Guidance for preparation of Detailed Analytic Blueprint: starting point for high-quality rulemaking

2004 Johnson Memo: Action Development Process procedures not consistently followed

2011 EPA's Action Development Process: Guidance for EPA Staff on Developing Quality Actions
Purpose of Analytic Blueprints
Environmental protection
Rules that satisfy statute and balances other goals
Best options and best decisions
• Purpose of Panel is to inform decision makers before making key regulatory decisions
• Avoid problem of missing opportunity to improve decision making
• Promotes rational evidence-based decision making – imposes restraints on anecdotal evidence and bias
• “Back of the Envelope” (rough estimate) determinations - key to good decision making
EPA Guidelines for Preparing Economics Analyses

http://yosemite.epa.gov/ee/epa/eed.nsf/webpages/Guidelines.html

EPA Guidelines for Preparing Regulatory Flexibility Analyses

• Best Options: full range, with combinations of various elements, where benefits justify costs
• Best Decisions: Data quality, good economics and good science, Plan for needed analyses
• Cost-Effective process
• Robust “Back of the Envelope” determinations
Better rules through ensuring Best Options and Best Analysis available for timely decisions

Requires better participation, planning, analysis and adherence to existing guidelines
Implementation of Blueprint

• Required for Tier 1 or Tier 2 rules
• Program Office has lead
• Written comments
• Final approval
Implementation of Blueprint

- Solicits management input/buy-in on basics: rationale, approach, options, resource constraints, policy issues
- Identify data gathering needs
- Obtain senior guidance before it is too late to change direction of the rule, collect data or consider different options
Analytic Blueprint Elements

- Scientific Issues
- Economic Issues
- Stakeholder Involvement
- Legal Issues
- Implementation, Enforcement and Compliance Assurance
Stakeholder Involvement

- Outreach
- Information Exchange
- Recommendations (e.g. SBREFA panel)
  - Non-binding but influential advice
  - Example: In light of the industry pollution prevention program discussed in SBREFA panel, EPA withdrew the industrial laundries proposal in July 1999.
- Agreements (e.g. FACA)
• 2016 Superfund Financial Responsibility Proposal – Hardrock Mining

• SERs provided critical comments establishing that existing state and Federal requirements were effective.

• In light of the SER comments and an EPA re-evaluation of the facts, EPA made a final determination that no new requirements were needed in December 2017.

• A blueprint could have averted the initial proposal in 2016.
SBREFA Panel Implementation

• Better agency analyses

• Input from SERs provides “real world” perspective, enlightened by benefit-cost analyses

• When implemented correctly, use agency resources more efficiently to develop better rules
Elements of Successful Panels

• Robust materials addressing benefit-cost analyses of key regulatory alternatives

• Adequate time to address materials and address public comments

• Identifying SERs with appropriate expertise and time to devote to SBREFA

• Summary: Each of these elements would be included in a proper Analytic Blueprint