



December 9, 2024

Richard Revesz
Administrator, Office of Information and Regulatory Affairs
White House Office of Management and Budget
New Executive Office Building, Room 9235
725 17th St NW
Washington, DC 20503

Re: Comments on OMB's Draft Report to Congress on the Benefits and Costs of Federal Regulations and Agency Compliance with the Unfunded Mandates Reform Act, Docket ID OMB-2024-0012

Dear Administrator Revesz:

The American Lung Association strongly supports the approach taken, and key recommendations included, by OMB in this draft review. Air pollution and climate change pose significant – and costly – risks to human health, and this draft report continues to show that the benefits of reducing emissions from stationary sources and vehicles, and of improving energy efficiency, significantly outweigh the costs. Our organization offers the following comments specifically focused on the calculations of benefits and costs as they apply to public health considerations in rulemaking and on the use of the Social Cost of Greenhouse Gas metric.

We strongly support OMB's recommendation that all agencies follow the Benefit-Cost Analysis (BCA) practices outlined in the 2023 Circular A-4, as well as the suggestions for collaboration to share research and resources to allow agencies to fully account for benefits and costs of regulations. Our organization appreciated the opportunity to offer input throughout OIRA's initiative to increase transparency in the rulemaking process and to modernize regulatory review. We strongly supported the updated Circular A-4 and its incorporation of current practices to better account for the full slate of benefits and costs of a given rule, including reaffirming that "costs and benefits shall be understood to include both quantifiable measures (to the fullest extent that these can be usefully estimated) and qualitative measures of costs and benefits that are difficult to quantify, but nevertheless essential to consider. Further, in choosing among alternative regulatory approaches, agencies should select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach."¹

In our 2023 [comments](#) on the draft updates to the circular, we noted that not all benefits are quantifiable or can be monetized, and that accounting for these benefits cannot be achieved with a "one size fits all" process. For example, in the case of clean air regulations, models typically monetize only a subset of avoided health impacts of air pollutants from the power, industrial and transportation sectors. Other impacts, such as brain damage from mercury exposure in utero or new cancer cases from some airborne toxics, are not currently monetized but are clearly no less important for factoring into benefit-cost analysis.

We also strongly support the continued, well-established and longstanding practice of ensuring that so-called "co-benefits" are considered among benefits. When federal rules make multiple

improvements at once, or have benefits extend beyond the immediate problem regulated while still remaining in the boundaries of governing statute, that efficiency must be acknowledged and captured in their underlying analysis.

We also supported Circular A-4's acknowledgement that the OMB requirement of a regulatory analysis with benefit-cost analysis as the primary analytical tool contrasts with some statutory requirements. For example, in the setting of the health- or welfare-based National Ambient Air Quality Standards under the Clean Air Act, the U.S. Environmental Protection Agency (EPA) cannot use economic impacts. Looking outside the clean air space provides another example. The Family Smoking and Tobacco Control Act requires the Food and Drug Administration (FDA) to make determinations based on what is "appropriate for the protection of the public health." In such instances, the regulatory analyses required by OMB must continue to not supersede the statutory requirements or lead to delaying or weakening of regulations under consideration.

The Lung Association also advised that OMB and regulatory agencies take care when doing regulatory and benefit-cost analysis on addictive products like tobacco products to avoid problematic concepts that might add to the cost, like lost smoking pleasure from stopping smoking or use of tobacco products. Being addicted to a product overrides a consumer's ability to make a rational choice. Any pleasure derived could be due to the physical addiction and/or easing of withdrawal symptoms. Ultimately, the death and disease caused by tobacco use and protecting the public health must be the guiding principle to FDA's decisions on these topics.

We also supported OMB's work in the 2023 A-4 to guide agencies to better incorporate distributional analysis into their BCAs. Benefits of an environmental or health regulation are not uniformly distributed across different demographics, even if costs are. We noted that conducting BCAs with such weighted distributions could address environmental injustice and/or health inequities by ensuring an equitable realization of all benefits of these regulations across marginalized subpopulations, and could also help assess the effectiveness of other related policies and programs among such populations. We note that this area in particular is ripe for interagency collaboration, as best practices for conducting distributional analysis can and should be shared across agencies. OMB's draft report provides a good example of both interagency collaboration and collaboration with outside entities on cost benefit analysis, the National Science and Technology Council (NSTC) Subcommittee on the Frontiers of Benefit-Cost Analysis. The Lung Association supports this and other efforts to foster both types of collaboration concerning cost benefit analysis.

With regard to the draft recommendation noting the continued use of the current, established Social Cost of Greenhouse Gases, the Lung Association strongly supports ensuring that this metric is used across all agencies. As OMB notes, multiple analyses to date, across multiple departments and agencies, have incorporated the updated Social Cost metric, which was the result of an extensive process involving expertise from across the federal government and outside input.

Our organization long noted the inadequacy of the previous metric, both because the damage function was too low based on current science and the discount rate was too high. We

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appreciate the Working Group's tracking of updated models to better account for the health costs of climate impacts, including allergies, air pollution and extreme heat. The more health impacts of climate change are captured in the damage function, the closer the Social Cost of Greenhouse Gases will be to reflecting the full, enormous cost of the health damages caused by climate change. The damage function also must account for physical and mental health impacts that are difficult to quantify, but no less real. Further, the lowered discount rate better reflects the long-term harms of climate change, including to future generations.

The Lung Association strongly supports the practices undertaken in this report and the recommendations that all agencies fully account for all benefits and costs, including unmonetized health costs; collaborate to incorporate best practices for distributional analysis; and incorporate the science-based updated Social Cost of Greenhouse Gases metric.

Thank you for your consideration.

Signed,

The American Lung Association

¹ [OMB Circular A-4](#)