

Congress of the United States

Washington, DC 20515

March 11, 2014

Ms. Gina McCarthy, Administrator
US Environmental Protection Agency
1200 Pennsylvania Avenue, NW – Room 3000
Washington, DC 20460

Re: Alleged Health Benefits from Carbon Regulations

Dear Madam Administrator:

As health care professionals who also serve in the United States Congress, we have a substantial interest in claims the federal government makes regarding public health as it pursues its regulatory objectives. It has been our unfortunate experience that the Environmental Protection Agency (EPA) in particular may overstate the public health benefits attributable to its rules in order to justify what most objective observers would regard is enormous expense associated with those rules. There is no precedent for the kind of expense that EPA may impose if it promulgates poorly constructed, infeasible and inflexible rules on carbon emissions, beginning with the new source performance standards (NSPS) for new and existing power plants. We are determined that the Agency not utilize exaggerated or non-existent health claims to advance carbon rules.

I. Unilateral Carbon Rules Will Not Create Domestic Health Benefits

Experts agree that carbon emissions and any resultant climatic impacts are international concerns. In a matter of days, a molecule of carbon dioxide emitted in China or Germany is literally around the world. And far from following the lead of the United States in imposing carbon regulations of similar scope as those under discussion at your Agency, we fear that our principal trade competitors are likely to take advantage of increased energy and manufacturing costs in this country and expand their industrial base. When these goods flow back to US markets, it can be safely anticipated that expensive regulation may result in a greater carbon footprint, not a lesser one.

Some in the environmental community hope that as you spread carbon regulations from proposed fossil-fuel powered electric generating units to the existing fleet, reductions in conventional air pollutants will fall. However, conventional emissions from coal-fired utilities, measured on a per-kilowatt hour basis, have declined by almost 90 percent over the last several decades. Should the EPA chose to make additional claims, it is worth noting that the Agency has already attempted to justify a vast array of other regulations on addressing precisely the same concerns – from the air toxics rule to regional haze to ambient air quality standards and the like. The American public should not tolerate perpetual re-claiming of the same health benefits in order to justify more substantial expansions of EPA regulations.

II. Extraordinary Energy Costs Will Diminish Public Health

One recent study by The Heritage Foundation summed up the likely economic result of contemplated EPA carbon rules as follows: “The EPA’s New Source Performance Standards (NSPS) and regulation of existing plants will drive up energy prices for families and businesses.

It will cost more to heat, cool, and light homes, and to cook meals. These higher energy prices will also have rippling effects throughout the economy. As energy prices increase, the cost of making products rises. Higher operating costs for businesses will be reflected in higher prices for consumers. Because everything Americans use and produce requires energy, consumers will take hit after hit. As prices rise, consumers buy less, and companies are forced to shed employees, close entirely, or move to other countries where the cost of doing business is lower. The result is fewer opportunities for American workers, lower incomes, less economic growth, and higher unemployment.”

According to the same analysis, if the EPA were to succeed in forcing coal out of the marketplace by confiscatory regulations – certainly the objective of some in the activist community demanding stronger action – the result would be a loss of some 600,000 jobs, loss of manufacturing base, aggregated loss of some \$2.23 trillion in gross domestic product, and a loss of family income of some \$1200 per household per year.

Our colleague, Senator John Barrasso, also a medical doctor, published a recent report based on a literature search and specific testimony taken before the US Congress that demonstrated that extraordinary costs due to EPA regulation have profound negative impacts on public health. The report found that unemployment due to EPA regulation:

- Increases the likelihood of hospital visits, illnesses, and premature deaths in communities due to joblessness.
- Raises healthcare costs, raising questions about the claimed health savings of EPA’s regulations.
- Hurts children's health and family well-being.

EPA can and must take into account the net impact of their rules on health benefits, including those adverse effects plausibly associated with increased cost of energy and unemployment.

III. Threats to Electric Reliability Will Diminish Public Health

The recent polar vortex conditions showed just how vital coal-fired capacity was to avoid blackouts during the harshest winter conditions. One of America’s largest utilities reported that some 90 percent of its units slated for closure under EPA regulatory deadlines next year were running full capacity to meet consumer needs during the recent cold snap. Another study found that should EPA “take the balance out of the electricity system by using the power of government fiat to allow one fuel source to dominate, then the risk is that you create a system that is not reliable and not affordable.” As the EPA attempts to overlay carbon regulations on facilities already attempting to comply with other substantial regulations, this situation is likely to become even more complicated. The public health consequences associated with stable electricity cannot be overstated. The Institute of Electrical and Electronics Engineers put it this way: “a reliable supply of electricity is more than just a convenience, it is a necessity; the global economy and world’s very way of life depends on it.” The US Centers for Disease Control and Prevention also note that reliable electric power is essential for food safety, safe drinking water, and protection against the health consequences of extreme heat and cold.

In short, when evaluating the health consequences of its carbon rules, EPA must take into account potential diminishment of electric reliability and the likely negative public health consequences likely to result from it.

IV. Levelling with the American Public on Public Health and Carbon Regulations

During the consideration of your confirmation, there was significant concern expressed from various quarters regarding the openness of the EPA rulemaking process. You responded to these concerns with concrete promises “to better consider the economic impacts of EPA’s rule-making” and to be more forthcoming on the data and models used to estimate health benefits. As health care professionals, we know that we owe the American public an accurate and balanced assessment of the health impacts of its rules. Therefore, we ask that you provide us with the following:

- Any evidence you have that unilateral carbon regulations are likely to be adopted by trade competitors, or that unilateral regulations will produce benefits if trade competitors increase production as US production falls;
- Any evidence that EPA will cease the “double counting” of health benefits attributable to already existing conventional emissions reductions as it proposes new rules regarding carbon;
- Any evidence that EPA will take into account the public health adverse effects associated with costs of carbon regulations;
- Any evidence that EPA will take into account the public health adverse effects associated with potential reductions in electric reliability.

Thank you for your attention to this important matter. We look forward to your prompt response to our inquiry.

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