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The Clean Air Act's Track Record: Clean Air and Economic Growth

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Republican Members of Congress already are criticizing the Environmental Protection Agency's proposed power plant carbon pollution standards, claiming that it will cost too much to address climate change. House Speaker John Boehner called the proposal "nuts" and claimed that it "would ... cause a surge in electricity bills."¹ Senate Minority Leader Mitch McConnell described the proposal as a "massive big-government boondoggle."² Rep. Ed Whitfield, the Chairman of the Subcommittee on Energy and Power, said EPA's "draconian proposal is unlike anything ever proposed" and "aims to effectively end coal use in America."³

These doomsday claims about the costs of clean air are nothing new. The history of the Clean Air Act is a history of exaggerated claims by industry that have never come true. The reality is that over the past 40 years, the Clean Air Act has produced tremendous public health benefits while supporting America's economic growth.

The Clean Air Act's Track Record. Since its adoption in 1970, the Clean Air Act has reduced key air pollutants by over 70%, while the economy has more than tripled in size.⁴ These pollution reductions save lives and improve public health, particularly among children and senior citizens. In 2010 alone, the Clean Air Act prevented over 160,000 premature deaths, 130,000 cases of heart disease, and 1.7 million asthma attacks, as well as 86,000 hospital admissions and millions of respiratory illnesses.⁵

The Clean Air Act has also made the United States a world leader in pollution control technology. In 2008, the U.S. pollution control industry generated \$300 billion in revenues and \$44 billion in exports and supported over 1.5 million jobs.⁶

The benefits of Clean Air Act programs have consistently outweighed the costs of pollution reduction by substantial margins. In a recent report to Congress, OMB found that major rules promulgated by the EPA between 2003 and 2013 had the highest benefits of major rules promulgated by any agency in that period. In aggregate, the 34 major rules promulgated by EPA had benefits between \$165 billion and \$850 billion, compared to costs of just \$38 billion to \$46 billion.⁷ By 2020, the economic benefit of reducing air pollution is estimated at almost \$2 trillion dollars, exceeding the costs by 30 to 1.⁸

Industry's History of Exaggerating Costs. Throughout the history of revisions to the Clean Air Act, industry has made claims that cleaning up air pollution would impose huge costs and harm our economy. Over and over again, those claims have turned out to be simply wrong.

The 1990 Clean Air Act Amendments were replete with industry scare tactics. Electric utilities fighting the new market-based acid rain provisions in the 1990 Clean Air Act Amendments estimated that the cost of an "allowance," the right to emit one ton of sulfur dioxide, would range between \$1,000 and \$1,500. In fact, the cost of an SO₂ allowance in 1995 was less than \$150, an order of magnitude less than industry estimated.⁹

In January 1990, DuPont testified that accelerating the phase-out of ozone-depleting chlorofluorocarbons (CFCs) to July 1, 1996, would cause "severe economic and social disruption."¹⁰ The Air-Conditioning and Refrigeration Institute testified that it was "certain" that "the large installed inventory which we depend upon in this country cannot survive. ... We will see shutdowns of refrigeration equipment in supermarkets. ... We will see shutdowns of chiller machines, which cool our large office buildings, our hotels, and

hospitals.”¹¹ In fact, the phase-out of CFC production was accelerated to December 31, 1995, with none of the severe dislocation predicted by industry. To their credit, DuPont and other companies helped make the accelerated phase-out possible by rapidly developing alternatives to CFCs.

In May 1989, Ford Motor Company testified that “we just do not have the technology to comply” with the first tier of new tailpipe standards in the 1990 Amendments, not even with technology “on the horizon.”¹² In fact, the motor vehicle industry began making vehicles that met the new standards in 1993. Engineers for the car companies now say the new standards triggered the development of sophisticated engine-control equipment, resulting in three benefits once thought incompatible: lower pollution, more power, and better fuel economy.

In October 1990, Mobil Corporation opposed the new Clean Air Act requirements for reformulated gasoline, writing that “the technology to meet these standards simply does not exist today” and predicting “major supply disruptions.”¹³ In fact, reformulated gasoline requirements went into effect in 1995 in the nation’s most polluted cities, without significant supply disruptions.

House Republicans’ Record of Unfounded Claims. Despite the Clean Air Act’s 40-year record of success, Republicans in Congress have continued to claim erroneously that the nation cannot afford cleaner air and a safer climate. In April 2011, Republicans in Congress voted to block the new fuel economy standards established by the Obama Administration, arguing that they would price Americans out of the new car market.¹⁴ Rep. Darrell Issa, Chairman of the House Oversight and Government Reform Committee, claimed that fuel economy standards would “hurt American consumers by forcing them to drive more expensive and less safe automobiles.”¹⁵ In fact, cars sales are rising, consumers are saving money, and consumer choice has been preserved.¹⁶

In October 2011, Republicans in Congress voted to block the Obama EPA from promulgating new mercury standards for power plants, saying the rules would cost jobs, raise electricity prices, and lead to blackouts.¹⁷ Rep. Ed Whitfield called it “disastrous to our economy.”¹⁸ In fact, implementation has been proceeding successfully. Utilities are installing pollution controls, switching to cleaner fuels, and retiring old inefficient plants. Rolling blackouts have not occurred.

In 2012, Rep. Fred Upton, the Chairman of the Committee on Energy and Commerce described EPA’s rule to reduce interstate air pollution as “just one of several new EPA rules targeting America’s power sector that together will cost our economy tens of billions of dollars and put thousands of jobs at risk.”¹⁹ Rep. Ed Whitfield, the Chairman of the Subcommittee on Energy and Power, called the regulation “a costly and far-reaching rule that has already cost jobs.”²⁰ When the Supreme Court upheld the rule this spring, Rep. Whitfield told reporters the rule “will drive up energy costs and threaten jobs and electric reliability.”²¹ But these claims are also proving untrue. Tom Fanning, CEO of Southern Company, a large coal-burning utility, has said the rule “will have a relatively minor effect” and require only “minimal” spending.²² John McManus, vice president of environmental services at American Electric Power, another large coal-burning utility, said the rule would have “no immediate impact on power plants” or “change our plans for our coal-fueled power generation fleet.”²³

The President’s Clean Power Plan. Now Republicans in Congress are raising the false specter of job losses and high economic costs to try to block the President from implementing his clean power plan to curb power plant carbon pollution. The history of the Clean Air Act shows that they are wrong: we can have both a clean environment and a strong economy. The President’s plan to reduce carbon pollution from power plants will achieve cleaner air, better health, affordable costs, and new economic opportunities.

¹ The Honorable John Boehner, *Statement on the President’s New National Energy Tax* (Jun. 2, 2014) (online at <http://boehner.house.gov/boehner-statement-on-the-presidents-new-national-energy-tax>); The Honorable John Boehner, Speaker

of the House, *Promise Made, Promise Kept: "Electricity Rates Would Necessarily Skyrocket"* (Jun. 1, 2014) (online at www.speaker.gov/video/promise-made-promise-kept-electricity-rates-skyrocket).

² Statement of Senate Minority Leader Mitch McConnell, Congressional Record, S3346 (Jun. 3, 2014).

³ Rep. Ed Whitfield, *The Truth About Obama's Green Dreams*, Fox News (Jun. 17, 2014) (online at www.foxnews.com/opinion/2014/06/17/truth-about-obamas-green-dreams/).

⁴ U.S. Environmental Protection Agency, *Air Quality Trends* (online at www.epa.gov/airtrends/images/y70_12_lineStyles.png) (updated 2013).

⁵ U.S. Environmental Protection Agency, Office of Air and Radiation, *The Benefits and Costs of the Clean Air Act from 1990 to 2020: Summary Report*, at 14 (Mar. 2011) (online at www.epa.gov/cleanairactbenefits/feb11/summaryreport.pdf).

⁶ U.S. Department of Commerce, International Trade Administration, *Environmental Technologies Industries: FY2010 Industry Assessment* (Apr. 2010) (online at [http://web.ita.doc.gov/ete/eteinfo.nsf/068f3801d047f26e85256883006ffa54/4878b7e2fc08ac6d85256883006c452c/\\$FILE/Ful%20Environmental%20Industries%20Assessment%202010.pdf](http://web.ita.doc.gov/ete/eteinfo.nsf/068f3801d047f26e85256883006ffa54/4878b7e2fc08ac6d85256883006c452c/$FILE/Ful%20Environmental%20Industries%20Assessment%202010.pdf)).

⁷ Executive Office of the President, Office of Management and Budget, *2014 Draft Report to Congress on the Benefits and Costs of Federal Regulations and Unfunded Mandates on State, Local, and Tribal Entities*, at 9 (online at www.whitehouse.gov/sites/default/files/omb/info/2014_cb/draft_2014_cost_benefit_report-updated.pdf).

⁸ U.S. Environmental Protection Agency, Office of Air and Radiation, *The Benefits and Costs of the Clean Air Act from 1990 to 2020: Summary Report*, at 2 (Mar. 2011) (online at www.epa.gov/cleanairactbenefits/feb11/summaryreport.pdf).

⁹ Office of Representative Henry A. Waxman, *Clean Air: An Act That Works: The Five-Year Anniversary of the Clean Air Act Amendments of 1990* (Nov. 15, 1995) (online at <http://waxman.house.gov/sites/waxman.house.gov/files/6.pdf>).

¹⁰ House Committee on Energy and Commerce, Subcommittee on Health and the Environment, *Hearing on H.R. 2699*, at 299, 101st Cong. (Jan. 25, 1990).

¹¹ *Id.* at 467-468.

¹² House Committee on Energy and Commerce, Subcommittee on Health and the Environment, *Hearing on H.R. 99 and H.R. 2323*, at 584, 101st Cong. (May 23, 1989).

¹³ Office of Representative Henry A. Waxman, *Clean Air: An Act That Works: The Five-Year Anniversary of the Clean Air Act Amendments of 1990* (Nov. 15, 1995) (online at <http://waxman.house.gov/sites/waxman.house.gov/files/6.pdf>).

¹⁴ U.S. House of Representatives, Roll Call Vote on Agreeing to H.R. 910 (Apr. 7, 2011) (255 yeas, 172 nays) (online at <http://clerk.house.gov/evs/2011/roll249.xml>).

¹⁵ House Committee on Oversight and Government Reform, *Oversight Committee Leaders Statements on Flawed, Rushed CAFE Rule* (Aug. 28, 2012) (online at <http://oversight.house.gov/release/oversight-committee-leaders-statements-on-flawed-rushed-cafe-rule/>).

¹⁶ *Auto Industry's Higher Sales Reflect Demand for Smaller, More Fuel-Efficient Cars*, Washington Post (Apr. 3, 2012) (online at www.washingtonpost.com/business/economy/auto-industrys-higher-sales-reflect-demand-for-smaller-more-fuel-efficient-cars/2012/04/03/gIQA0I8xtS_story.html).

¹⁷ U.S. House of Representatives, Roll Call Vote on Agreeing to H.R. 2250 (Oct. 13, 2011) (275 yeas, 142 nays) (online at <http://clerk.house.gov/evs/2011/roll791.xml>); House Committee on Energy and Commerce, *Committee Leaders Concerned EPA's Utility MACT Rule Will Destroy Jobs, Make Electricity More Expensive, Less Reliable* (Dec. 21, 2011) (online at <http://energycommerce.house.gov/press-release/committee-leaders-concerned-epas-utility-mact-rule-will-destroy-jobs-make-electricity>).

¹⁸ House Committee on Energy and Commerce, *Energy and Commerce Leaders Respond to Growing Reliability Concerns* (Nov. 29, 2011) (online at <http://energycommerce.house.gov/press-release/energy-and-commerce-leaders-respond-growing-reliability-concerns>).

¹⁹ House Committee on Energy and Commerce, *Energy and Commerce Leaders Welcome Court Decision Blocking Costly EPA Power Rule* (Aug. 21, 2012) (online at <http://energycommerce.house.gov/press-release/energy-and-commerce-leaders-welcome-court-decision-blocking-costly-epa-power-rule>).

²⁰ House Committee on Energy and Commerce, *Whitfield Commends Senate Efforts on CSAPR, Urges Senate to Take Up TRAIN Act* (Nov. 10, 2011) (online at <http://energycommerce.house.gov/press-release/whitfield-commends-senate-efforts-csapr-urges-senate-take-train-act>).

²¹ *Court Upholds Cross-State Air Pollution Rule*, The Hill (Apr. 29, 2014) (online at <http://thehill.com/regulation/energy-environment/204658-supreme-court-upholds-epa-cross-state-air-pollution-rule>).

²² *Investors in Coal-Burning Plants Brush Off Supreme Court Decision on EPA Air Rules*, Bloomberg BNA (May 2, 2014) (online at www.bloomberg.com/news/2014-05-02/investors-in-coal-burning-plants-brush-off-supreme-court-decision-on-epa-air-rules.html).

²³ *Id.*