

## Attachment—Additional Questions for the Record

### The Honorable Bill Johnson

1. During questioning at the hearing, a point was raised that, after the United States has enacted aggressive environmental laws, the American economy has continued to grow. The implication is that environmental regulations do not inhibit economic growth, that the so-called “rush to green” agenda will not hurt the economy. What is your perspective on this?

Answer: It may be obvious, but worth noting that we can’t know how much the economy would have grown if there were more rational, efficient, and constrained regulations. We do know that a major reason the U.S. lost critical mining and refining capabilities has been because of the onerous character of environmental regulations. We also know that many new mining permits in recent years have been cancelled; those jobs and the associated wealth creation were lost. Finally, I will note the regular survey by the National Association of Manufacturers that documents the cost of regulatory compliance for U.S. manufacturing firms; my recollection is that the number is about \$35,000 per employee per year for regulatory compliance alone. One can imagine both more manufacturing and more domestic wealth if such costly regulatory burdens had not been in place.

2. In the hearing discussion, you noted that it is a “category error” to assume that government regulations can create “solutions.” Can you expand on that point?

Answer: The idea that government programs creates innovation has infected the punditocracy, but the examples are the exception to the rule; Manhattan Project, moon program, etc. It is the case that federal funding of research can be productive; but history shows the big discoveries and innovations emerge without directed funding, or more often, entirely independent of government funding/programs.

3. Do government-imposed timelines drive innovation?

Answer: Only in the narrow sense of innovations that are incremental improvements on existing technology. Foundational innovation does not and never has happened that way.