Rollbacks for fossil fuel industries carry steep cost

BY MATTHEW BROWN Associated Press
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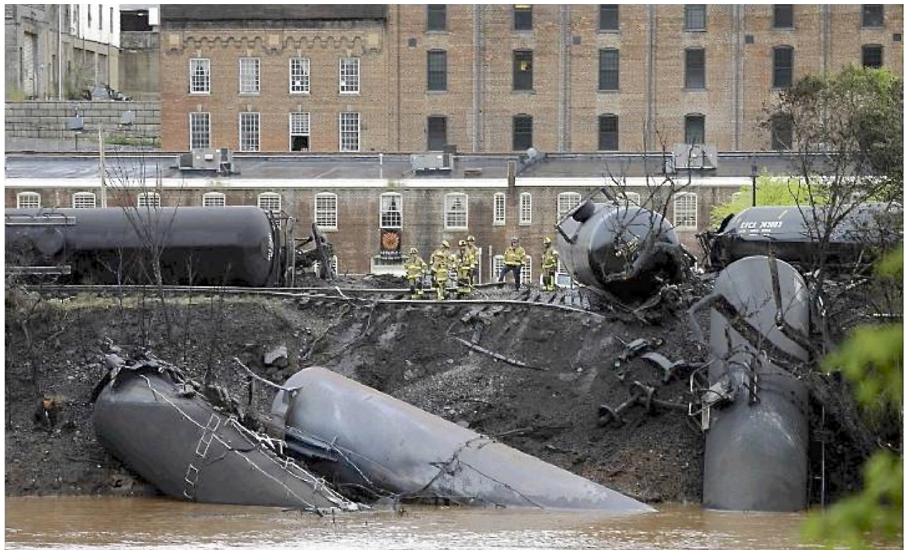

STEVE HELBER AP file
Firefighters and rescue workers work along the tracks where several CSX tanker cars carrying crude oil derailed and caught fire along the James River near downtown in Lynchburg, Va., on April 30, 2014. As the Trump administration rolls back environmental and safety rules for the U.S. energy sector, government projections show billions of dollars in savings reaped by companies will come at a steep cost: increased premature deaths and illnesses from air pollution, a jump in climate-warming emissions and more derailments of trains carrying explosive fuels.

GERALD HERBERT AP file
Plaquemines Parish Coastal Zone Director P.J. Hahn rescues a heavily oiled bird from the waters of Barataria Bay, La., on June 26, 2010.

BILLINGS, MONT.
As the Trump administration rolls back environmental and safety rules for the energy sector, government projections show billions of dollars in savings reaped by companies will come at a steep cost: more premature deaths and illnesses from air pollution, a jump in climate-warming emissions and more severe derailments of trains carrying explosive fuels.

The Associated Press analyzed 11 major rules targeted for repeal or relaxation under Trump, using the administration's own estimates to tally how its actions would boost businesses and harm society.

The AP identified up to $11.6 billion in potential future savings for companies that extract, burn and transport fossil fuels. Industry windfalls of billions of dollars more could come from a freeze in vehicle efficiency standards that will yield an estimated 79 billion-gallon increase in fuel consumption.

On the opposite side of the government's ledger, buried in thousands of pages of analyses, are the "social costs" of rolling back the regulations. Among them:

- *Up to 1,400 additional premature deaths annually due to the pending repeal of a rule to cut coal plant pollution.*
- *An increase in greenhouse gas emissions by about 1 billion tons from vehicles produced over the next decade – a figure equivalent to annual emissions of almost 200 million vehicles.*
- *Increased risk of water contamination from a drilling technique known as "fracking."*
- *Fewer safety checks to prevent offshore oil spills.*

For the Trump administration and its supporters, the rule changes examined by AP mark a much-needed pivot away from heavy regulations that threatened to hold back the Republican president's goal of increasing U.S. energy production. But the AP's findings also underscore the administration's willingness to put company profits ahead of safety considerations and pollution effects.

SIDING WITH THE INDUSTRY

The AP found the administration has sought to bolster the changes by emphasizing, and sometimes exaggerating, economic gains while minimizing negative impacts.

For example, when calculating future damages from greenhouse gas emissions from coal plants, the Trump administration looked only at U.S. effects, instead of globally. That drastically reduced the benefits of emission restrictions and allowed the administration to conclude the Obama-era rule was no longer justified, given costs to the coal industry.

In another instance, the Environmental Protection Agency wants to stop considering secondary benefits of controlling mercury emissions – namely

reductions in other pollutants projected to prevent up to 11,000 premature deaths.

Last month, the AP revealed that the administration understated the advantages of installing better brakes on trains carrying crude oil and ethanol. Transportation Department officials acknowledged they miscalculated potential benefits by up to $117 million because they failed to include some projected future derailments.

In explaining its actions, the Trump administration said in some cases that the previous administration understated the price tag on new industry restrictions. In others, it said President Barack Obama's administration had been overly expansive in how it defined benefits to society.

Michael Greenstone, a University of Chicago professor who served as chief economist for Obama's Council of Economic Advisers, said the Trump administration was downplaying the health and environmental impacts of its actions.

"When you start fudging the numbers, it's not that the costs just evaporate into thin air. We will pay," Greenstone said. "They are reducing the costs for industries where pollution is a byproduct."

The rules being targeted were largely crafted under Obama in response to climate change, the disastrous 2010 Gulf of Mexico oil spill, massive releases from coal ash dumps and fuel train explosions.

ADMINISTRATION: NEGLIGIBLE RISKS

Trump's administration has stressed that savings for companies were greater than any increased perils to safety or the environment.

"We fully recognize every significant policy decision has a consequence and that those consequences can differ," acting U.S. Interior Secretary David Bernhardt said. "I think when you look at the track record, holistically, what you see is our deregulatory efforts are still pretty protective."

The AP's tally of savings was derived from government projections required under a 1993 executive order. Five of the rule changes are still pending.

On rules for toxic coal ash, offshore safety and refinery pollution, the administration said companies would save hundreds of millions of dollars with little or no added risk – an assertion former federal officials and environmental groups have disputed.

The potential industry savings were projected largely over the next decade.

Sectors of the coal industry see lifting costly rules as a matter of survival because demand has plummeted as utilities switch to cleaner-burning fuels.

For the oil and gas industry, with hundreds of billions of dollars in annual revenue, the economic impact of the Obama-era rules was comparatively small. But they were vigorously opposed as restrictions on business.

OBAMA CLIMATE AGENDA ASSAILED

Two sweeping changes under Trump – the rollback of the Clean Power Plan that threatened to close many coal power plants and a reversal of plans to increase vehicle fuel efficiency standards – were centerpieces of Obama's climate change actions.

Killing the power plan would save companies up to $6.4 billion, the EPA concluded.

The trade-off is almost 61 million tons annually of additional carbon dioxide emissions by 2030. The administration calculated that those emissions carry a maximum of $3.2 billion in "social costs," such as flood damage and higher air conditioning costs.

Since company savings outweighed pollution costs, the administration said scrapping the power plan was justified. That conclusion was possible largely because the EPA limited social costs to effects in the U.S., instead of globally as under Obama.

EPA spokeswoman Enesta Jones said the analysis complied with a 2003 directive under President George W. Bush that said such reviews should focus on costs and benefits to people in the U.S.

Joe Goffman, a former EPA official who helped create the clean power plan and now at Harvard Law School, said the omission of international impacts "doesn't track with reality" given that climate change is a worldwide problem.