

United States Senate

WASHINGTON, DC 20510

April 28, 2005

Mr. Stephen L. Johnson
Acting Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Mr. Johnson:

We understand that the Agency has agreed to do a more thorough comparative analysis of multi-pollutant legislative proposals. However, the offer you have provided could be improved in several ways to ensure a fair and balanced comparison of the proposals.

The allocation system in S. 150, the Clean Power Act of 2005, is central to ensuring that the reductions required are achieved in the most cost-effective and equitable manner, in addition to stimulating technology development and job creation. This is the same system that was reported favorably by the Environment and Public Works Committee in June 2002 and there is and has been abundant material in the policy literature on such auctions and price compensation options. Any analysis of the bill that does not attempt to provide at least a directional or qualitative discussion of associated costs and benefits of this system would be deficient.

The baseline that EPA intends to use, for determining whether legislation is an improvement in terms of expected air quality benefits from existing Federal and state air laws and regulations, needs to be clearer. To that end, any comparison should include the reductions achieved by the Clean Air Interstate Rule and the Clean Air Mercury Rule, as well as NSR enforcement settlements, and States programs, as part of the base case.


As noted in Senator Jeffords letter to you, dated March 17, 2005, any worthwhile cost-benefit analysis of proposed amendments to the Clean Air Act must include an estimate or range of estimates of the potential value or benefits of implementation of any provisions of existing law versus those expected from the proposed amendments. This is particularly true of New Source Review, section 126, and the other Clean Air Act provisions which Clear Skies proposes to eliminate or substantially modify.

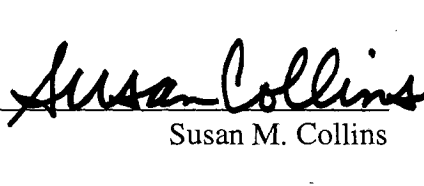
There are a number of other pieces of information that would help Members of Congress determine whether or not amendments to the law are appropriate and necessary. They include jobs impacts, all emissions reductions related to electricity generation affected (including toxics, greenhouse gases, and criteria pollutants), parsed data runs, IQ and cardiovascular benefits ranges for mercury and other utility air toxic emissions reductions, and coal production and consumption numbers by state.

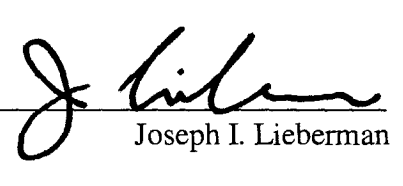
Finally, any useful analysis of the Clean Power Act will include the same level of detail as the Agency provided for the Administration's proposal, in terms of environmental and air quality benefits, and in the same manner. This is not a new request, but one that has been pending for several years. In light of the Administration's decision not to comply with the requirement in the National Environmental Policy Act (section 102(C)) to provide a detailed statement on alternatives to major Administration legislative proposals affecting the environment, we view this request as reasonable.

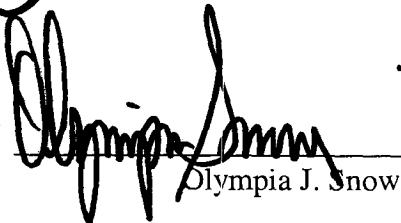
Thank you in advance for considering our views as you proceed with the modelling and comparison. Please contact us or our staff if there are questions or comments on this matter.

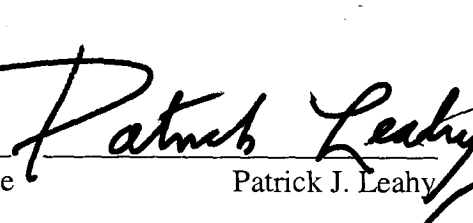
Sincerely,

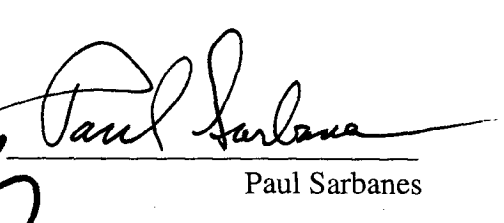

James M. Jeffords

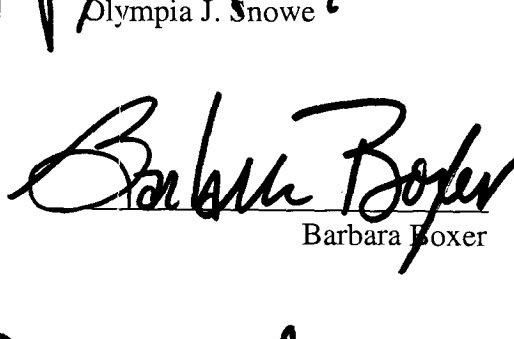

Susan M. Collins

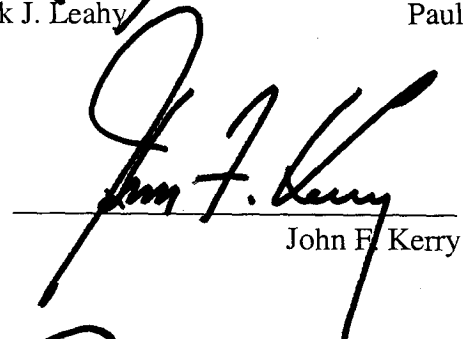

Joseph I. Lieberman



Olympia J. Snowe

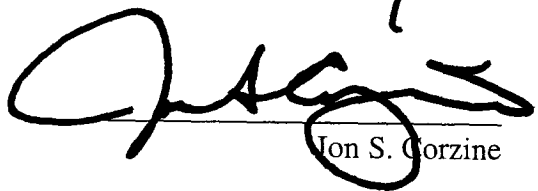

Patrick J. Leahy



Paul Sarbanes

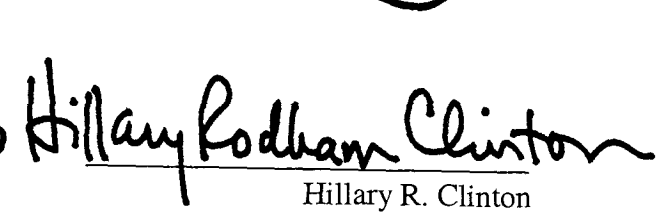

Barbara Boxer


John F. Kerry


Frank R. Lautenberg


Jon S. Corzine


Charles E. Schumer


Hillary R. Clinton