

TABLE 11.—AGENCY ESTIMATES OF BENEFITS AND COSTS OF MAJOR RULES—Continued

Rule	Agency	Benefits	Costs	Other information
Water quality guidance for Great Lakes system.	EPA	Given the site-specific nature of water quality benefits and the unavailability of site-specific data across the Great Lakes Basin, only case study monetized benefits are estimated in the RIA. Average monetized benefits across the three case studies evaluated are \$0.3 million per year to \$6.2 million per year, with a midpoint of \$2.9 million per year (in 1996 dollars); average annual costs across case studies are also \$2.8 million per year (1996 dollars)..	\$64.0–394.6 million (\$1996, annualized).	"The benefit analysis is based on a case study approach, suing benefits transfer applied sources to three case studies . . . The case studies include: (1) the lower Fox River drainage, including Green Bay, located on Lake Michigan in northeastern Wisconsin; (2) the Saginaw River and Saginaw Bay, located on Lake Huron in Northeastern Michigan; and (3) the Black River, located on Lake Erie in north-central Ohio . . . EPA did attempt to calculate longer-term benefits to human health, wildlife, and aquatic life once the final Guidance provisions are fully implemented by nonpoint sources as well as point sources and the minimum protection levels are attained in the ambient water." (60 FR 15382). "The three case studies combine to account for nearly 14 percent of the total cost of the final Guidance, nearly 17 percent of the loadings reductions, and from four percent to 10 percent of the benefits proxies (i.e., basin-wide population, recreational angling, nonconsumptive recreation, and commercial fishery harvest." (60 FR 15382). "In addition to the cost estimates described above, EPA estimated the cost to comply with requirements consistent with the antidegradation provisions of the final Guidance. This potential future cost is expressed as a 'lost opportunity' cost for facilities impacted by the antidegradation requirements. This cost could result in the addition of about \$22 million each year." (60 FR 15381).
Interim Requirements for Deposit Control Gasoline Additives, Regulations of Fuels and Fuel Additives.	EPA	HC, CO and NO _x reduction during the 18-month interim period: 700,000 tons (59 FR 54678–); HC, CO and NO _x reduction after the interim period: 600,000 tons per year (59 FR 54678–) Fuel economy savings: 390 million gallons in 1995–2000 (59 FR 54678–).	\$650 million (NPV, discount rate = 7%, 1995–2000 (59 FR 54678–)).	

Appendix C. OMB Draft Guidelines for the Conduct of Regulatory Analysis and the Format of Accounting Statements

Preface

This Circular provides OMB's guidance to federal agencies on the development of regulatory analysis as required under Executive Order No. 12866 and a variety of related authorities. The Circular also provides guidance to agencies on the regulatory accounting statements that are required under the Regulatory Right-to-Know Act.

This draft Circular refines OMB's "best practices" document of 1996 <http://www.whitehouse.gov/omb/inforeg/riaguide.html>, which was issued as a guidance in 2000 [http://www.whitehouse.gov/omb/memoranda/m00-](http://www.whitehouse.gov/omb/memoranda/m00-08.pdf)

[08.pdf](http://www.whitehouse.gov/omb/memoranda/m01-23.html), and reaffirmed in 2001 <http://www.whitehouse.gov/omb/memoranda/m01-23.html>. It will replace both the 1996 "best practices" and the 2000 guidance. Before issuing the Circular, this draft will go through a process of peer review, public comment and interagency review.

Introduction

These guidelines are designed to help analysts in the regulatory agencies by encouraging good regulatory impact analysis—called either "regulatory analysis" or "analysis" for brevity—and standardizing the way benefits and costs of Federal regulatory actions are measured and reported.

Why Analysis of Proposed¹⁶ Regulatory Actions Is Needed

Regulatory analysis is a tool regulatory agencies use to anticipate and evaluate the likely consequences of their actions. It provides a formal way of organizing the evidence on the key effects—good and bad—of the various alternatives that should be considered in developing regulations. The motivation is to (1) learn if the benefits of an action are likely to justify the costs or (2) discover which of various possible alternatives would be the most cost-effective. By choosing actions that maximize net

¹⁶ We use the term "proposed" to refer to any regulatory actions under consideration regardless of the stage of the regulatory process.