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STATEMENT ON SENATORS' LETTER TO EPA REGARDING POLICY INTEGRITY PETITION

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We appreciate Senators Vitter, Inhofe, Fischer, and Wickers interest in the transportation fuels petition we submitted to EPA in 2009.

Market-based mechanisms, like the cap-and-trade approach advocated in our petition, are a highly cost-effective and flexible means of reducing pollution. There is broad agreement among economists that these types of policies are preferable to command-and-control-style regulation. By maximizing flexibility, market approaches to pollution control help spur innovation and allow businesses to reduce emissions at the lowest possible cost.

Cost-benefit analysis shows that market mechanisms can deliver quantified, monetizable benefits far in excess of costs. A 2011 retrospective analysis conducted of the Clean Air Act Amendments of 1990, which relied heavily on market mechanisms and were adopted with support from both political parties, found net benefits of $1.935 trillion by 2020.

We would be very pleased to discuss these ideas further with the Senators and invite them to meet with us.

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For an electronic version of this statement click here.
For an electronic copy of the Senators' statement and letter to EPA click here.
For more on our petition to EPA click here.
For more on market mechanisms and the G.O.P. click here.

Note: We look forward to responding to the Senators' other concerns in more detail in the near future.