Case Study #4

Econ 4075: Fall 2023

Wes Austin

Assume it is Fall of 2023, and you are an economist at the EPA. Your boss is the chief policy and regulatory specialist at the EPA, and they are responsible for advising EPA Administrator Michael Regan on economic, environmental justice, and legal considerations of all major regulations. Administrator Regan must pick a PFAS standard for the nation's drinking water. Your boss, the chief policy advisor, will use your input as the basis for a "decision memo" for Administrator Regan. You have three tasks.

With your assigned group of 3-4 individuals, please write a short (2 page max) memo to the EPA policy specialist giving your advice as to what the PFAS standard should be. Possible options are described in the case study benefit cost memo. Support your argument using as much scientific and economic logic as you can muster. One memo per group.

Please upload a short video (no longer than 4 minutes) walking through a few key takeaways from your memo. One video per group.

Come to class on November 27th with a designated spokesperson prepared for a staff meeting. Two groups will be selected at random to present. If selected, your spokesperson has no more than 4 minutes to present your case.

Some materials that may be useful in crafting your case are in the sub-folder for this assignment in the Github repository. You should pay special attention to the EPA’s economic analysis prepared for the rule (see “PFAS NPDWR Economic Analysis”), and you should also be well-informed on the industry’s comments on the analysis (see AWWA-Comments…”). Of course, you are welcome to incorporate additional information. Remember that you are the economic policy advisor. Focus on the economic issues involved, though feel free to recognize other issues as appropriate.

Please use the format of a bullet-point memo.

* Clearly state your advice. State the bottom line first.
* Clearly lay out the pros and cons of different regulatory approaches and levels of PFAS reduction.
* Remember that the memo is addressed to a busy executive, who may read it on a phone in the cab on the way to the White House, or while walking down a long hallway. Excess words impose great cost.

**Bottom Line: Your group should write a 1-2 page collaborative memo signed by all contributors, upload a video briefing (<4 minutes), and choose one spokesperson to present your group’s conclusions to the class.**