

Cost Benefit Analysis: A skeptic's perspective

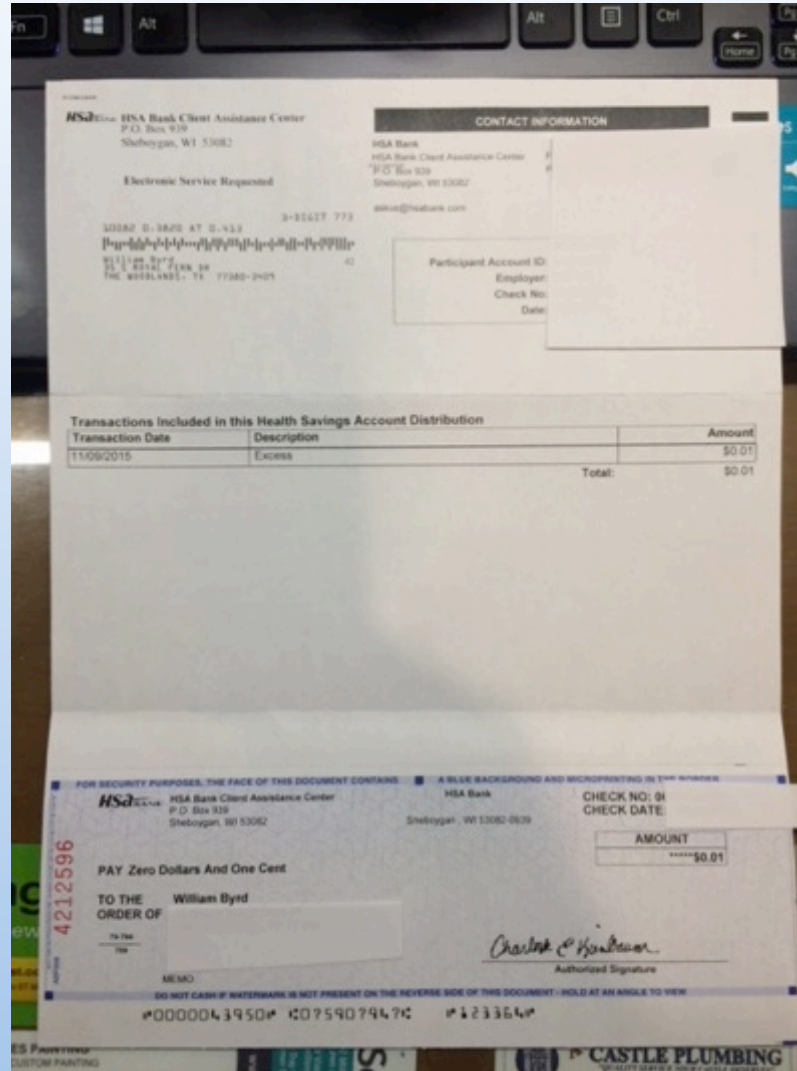
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Disclaimer:

- My company specializes in helping pipeline operators comply with complicated federal and state regulations.
- The more complicated the regulation, the better it is for business.
 - Q: Why am I making this presentation?
 - A: I am stupid.
- I have great respect for the government employees who are tasked with doing CBA. It isn't easy, and I mean no offense.

Frédéric Bastiat: The Seen and Unseen



Recent HL NPRM Cost Estimates

- 1. Reporting for gravity PL's: \$900
 - We'll burn \$9,000 just reading that provision.
- 6. Expand the list of conditions that require immediate repair: "minimal" \$
 - What is the cost of an immediate shutdown?
- 7. Require ANY pipeline that can affect an HCA be capable of handling ILI: \$1M/yr
 - Try to budget that one on a real pipeline....

Practical Example: Tax Time Estimates

- How long to just read all the potentially applicable forms, and understand them?
 - Capital gains or loss?
 - Healthcare deductions?
 - Sale of a primary residence?
 - Death / estate issues?
 - Dependents?
 - ... the list goes on and on and on.
- It affects everything you do. How much time does that take?

My son, who chose the most secure profession: Taxation



My business is almost as secure as his!