

25. Incorrect. The answer is true not false. The optimal levels of pollution are correct and found by equating marginal costs of each place to MB, and we find the optimal levels of pollution are 15 and 21 for Denver and Golden, respectively:

For Denver:

$$MC_D = MB$$

$$-15 + 2E_D = 30 - E_D$$

$$E_D = 15$$

For Golden:

$$MC_G = MB$$

$$-12 + E_G = 30 - E_G$$

$$E_G = 21$$