

Senator Roberts Testimony on Regulatory Responsibility for our Economy Act of 2011
Homeland Security and Government Affairs Committee (HSGAC)
June 23, 2011

Good afternoon, Chairman Lieberman, Ranking Member Collins, and distinguished Members of the Committee. I am pleased to be here today to testify on regulatory reform issues - the topic of the day.

Earlier this year I introduced S. 358, the "Regulatory Responsibility for our Economy Act of 2011." This reform would strengthen and codify President Obama's Executive Order from January 18.

President Obama made a commitment to review, modify, streamline, expand, or repeal those significant regulatory actions, that are duplicative, unnecessary, overly burdensome or would have significant economic impacts. The "Regulatory Responsibility for our Economy Act of 2011" would ensure just that. My legislation would require that all regulations put forth by the current and future Administrations simply consider the economic burden on American businesses, ensure stakeholder input during the regulatory process and promote innovation.

Per the fact sheet, accompanying the Executive Order, "the President requires Federal agencies to design cost-effective, evidence-based regulations that are compatible with economic growth, job creation, and competitiveness." My legislation would ensure that this happens by laying out specific conditions that the federal regulatory system must meet. It also puts forth new, and codifies existing, agency requirements for promulgating regulations.

In a Wall Street Journal Op-ed, the President stated, "We have preserved freedom of commerce while applying those rules and regulations necessary to protect the public against threats to our health and safety and to safeguard people and businesses from abuse." But he also noted, "sometimes those rules have gotten out of balance, placing unreasonable burdens on business - burdens that have stifled innovation and have had a chilling effect on growth and jobs." I must say I absolutely agree with the President. As I travel across my home state, I have heard from Kansan after Kansan who find themselves weighed down by the burden of too many regulations. Even to the point that these regulations threaten the future of their businesses.

I have had a longstanding concern with the regulatory process.

- During fiscal year 2010, 43 new major regulations were adopted, with estimated net new burdens on Americans exceeding \$26.5 billion each year, a record increase.
- Fifteen of the 43 new major rules involve financial regulation. Another five stem from the Patient Protection and Affordable Care Act. Ten rules adopted by the Environmental Protection Agency were responsible for the lion's share of new regulatory costs—some \$23.2 billion.
- Regulatory burdens—and the taxpayer burden—are expected to increase again in 2011 as agencies continue to promulgate literally thousands of new rules related to health care, energy, financial services, and telecommunications.
- A September 2010 report prepared for the Office of Advocacy within the Small Business Administration (SBA) stated that the annual cost of federal regulations was about \$1.75

trillion in 2008.

- And that is 2008 data. Imagine the cost since then! It's probably over \$2 trillion now!

My legislation would codify the President's Executive Order and assure a review of these regulations to reduce burdensome and economically irresponsible regulatory actions that endanger struggling businesses in the United States.

The President's Executive Order "requires that federal agencies ensure that regulations protect our safety, health and environment while promoting economic growth." So does my legislation.

- ▶ However, my legislation strengthens the President's commitment by promoting economic growth, innovation, competitiveness, and job creation.

The Executive Order commissions "a government-wide review of the rules already on the books to remove outdated regulations that stifle job creation and make our economy less competitive." So does my legislation.

- ▶ My legislation requires each agency to submit a plan to review existing significant regulatory actions and then they must continue to do so once every 5 years and must report to Congress on the outcome of those reviews.

The President said, "It's a review that will help bring order to regulations that have become a patchwork of overlapping rules, the result of tinkering by administrations and legislators of both parties and the influence of special interests in Washington over decades."

In order to do this we need to add some teeth to the commitment, by closing the existing loopholes.

- ▶ My legislation also requires independent agencies to complete a review of their regulatory actions, and imposes the same requirements on them.
- ▶ A significant portion of the complaints that come to my office, and I am sure every office represented here, involve egregious over-regulation by independent agencies such as the CFTC and the EPA.
- ▶ My legislation also ensures valuable stakeholder input on regulatory actions including standardizing the length of the comment period and when it should start.
- ▶ It is both significant and noteworthy that comment periods range from two weeks to 90 days, causing inconsistency in the system that should allow stakeholders to have a say in protecting their future.

In 2010 Federal Agencies issued 3, 573 final rules. The Administration's own cost estimates for the 280 proposed or enacted regulations this year is over \$29.4 billion with potentially even broader economic costs on our economy. This is just a snapshot in time and with the hundreds of pages of regulations coming out every day we can only assume that these numbers have and will grow.

President Obama has made it his “mission to root out regulations that conflict, that are not worth the cost, or that are just plain dumb.” I agree. We need to eliminate more of the “just plain dumb” in government and would encourage the Administration and my colleagues to support my legislation.