

**Senator Heidi Heitkamp (D-ND)**  
**U.S. Committee on Homeland Security and Governmental Affairs**  
**Subcommittee on Regulatory Affairs and Federal Management**  
**“Examining Federal Rulemaking Challenges and Areas of Improvement Within the Existing**  
**Regulatory Process”**  
**March 19, 2015**

Thank you Chairman Lankford. Thank you for calling this important hearing. I look forward to working with you on regulatory issues – as well as the other issues such as federal employees – which fall under the subcommittee’s jurisdiction. Two redheads running a Subcommittee – the U.S. Senate better watch out!

When most people think of regulations, they probably think of paperwork a small business owner might have to fill out or the records someone needs to keep in order to file their income taxes. But regulations are more than that. Regulations underpin almost everything our nation and our citizens do. Regulations keep our products and food safe. Regulations work toward making a fair society. Regulations work to prevent fraud and keep our economy and Americans working. It is safe to say that regulations are one of the most important parts of our federal government, even if they are not always well understood.

For our nation to be successful, for our citizens to be able to work hard and provide for their families, for our nation to be safe and secure, we need an effective and efficient regulatory process that works for American businesses and families. In coming months, you will hear me talk a lot about efficiency and effectiveness. Those words need to be the key focuses of any discussion about our regulatory process. A world without regulations wouldn’t work, but we need effective and efficient regulations and an effective and efficient regulatory process.

Businesses, small and large, need certainty. They don’t get that if the federal regulatory process stretches for years and years. That isn’t efficient, and that inefficiency can harm the economy and local businesses. A prime example of this is EPA’s continued failure to set renewable volume obligations under the Renewable Fuel Standard. Because of their failure to follow the law, biodiesel plants around the country, including the one in Velva, North Dakota, have had to shut down production—placing an economic burden on this critical industry. If the agency had done its job, there would have been no harm.

Effectiveness is just as important as efficiency. I think everyone agrees that a level playing field is a good thing. Effective regulations help us get here. An effective regulation balances the costs imposed on businesses with the benefit to consumers. They also balance the costs to manufacturers and the safety benefits our family’s experience.

One of my focuses in today’s hearing is to engage with the witnesses on how best to make the federal regulatory process more effective. A myriad of laws make up the regulatory framework – the Administrative Procedures Act, the Paperwork Reduction Act, and others. It is critical that we examine the rules for our regulatory process and determine what needs to change, what

needs to be updated, what needs to be eliminated or simplified. Those last points are critical. We must always be working to eliminate, simplify or update regulations that are out-of-date. This retrospective review process needs to be at the heart of any consideration of how to improve this process. Technology changes. Regulations that impact how industries operate must also change.

The Administration has made retrospective review a priority and we have seen some significant successes. Federal agencies posted updated lists of regulations they are reviewing just yesterday. It is clear that a lot of good work is being done. The Administration reports that finalized initiatives through this retrospective review process will achieve \$20 billion in savings over five years.

I met with OIRA Administrator Howard Shelanski last week and he reiterated the Administration's strong commitment to a better regulatory process. I hope the Administrator and the federal agencies will work with the Chairman and me as we examine the regulatory process from all sides.

We will hear a strong variety of opinions at today's hearing. One of the things I look forward to hearing about is how do we best resource regulations. No one disagrees that we need an effective and efficient process, and I think everyone understands the importance of retrospective review. However, all that work requires resources – people to do good analysis, people to talk to impacted industries, all the things agencies must do to develop smart regulations. In the near future, Chairman Lankford and I will be launching a new initiative to help address many of these issues.

It is critical that any discussion about how to improve the regulatory process bring with it an honest discussion of the resources needed to execute that strategy. Our nation needs workable solutions, not another layer of administrative burden. With that, I look forward to hearing from the witnesses and talking with them about their ideas to improve our nation.

Thank you.

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