

## **Opening Statement**

### **Hearing before the Regulatory Affairs and**

### **Federal Management Subcommittee,**

**Thursday February 11th at 9:30 AM**

### **“Examining Agency Discretion in Setting and Enforcing Regulatory Fines and Penalties.”**

Good morning and welcome to today’s Subcommittee hearing.

This Subcommittee has held a series of hearings examining the regulatory process. We have determined over the course of these hearings that a more robust and efficient process will lead to better regulatory outcomes for all Americans.

Today’s hearing focuses on the proper role of regulatory enforcement.

It goes without saying that writing a law or developing a regulation is easier than enforcing it across the 50 states in a fair, predictable, and consistent manner. But doing so is essential.

Fair, predictable, and consistent regulatory enforcement procedures must be understandable to all stakeholders. I believe most federal agencies agree that transparency is important, and that providing accessible compliance assistance services is essential to any comprehensive enforcement regime. Safety, fairness, and fighting discrimination are all great goals of our regulations and enforcement.

But, as we have all learned from previous hearings, the sheer magnitude of the Code of Federal Regulations means that understanding and complying with regulations is a gargantuan task for most individuals and businesses.

The complexity of the regulatory system, coupled with the fear that failure to comply—even if completely accidental—will result in a fine or penalty, means that often businesses feel that they are targeted arbitrarily for violations they do not fully understand.

As a result, regulated parties often feel that confusing compliance information leaves them vulnerable to the whims of a federal government regulator. In fact, one small business owner from Florida says, when faced with the overwhelming number of regulatory requirements, “what chance does a business have?”

Indeed, many individuals and businesses believe that agency officials enforce regulations in an unfair, unpredictable, and arbitrary manner. Because businesses often feel that they are targeted arbitrarily, they are understandably fearful of federal regulators.

I hear stories from businesses that their only interaction with agency enforcement officials is to inspect and issue fines. As a result, my constituents tell me that their

relationships with agencies have deteriorated, and that instead of inspectors working with businesses to identify and solve compliance problems, government regulators are only interested in issuing fines or other means of punishment.

When businesses choose to avoid any interaction with federal agencies and dread inspections, our shared regulatory goals are not achieved.

Agencies should play an active role in changing this culture. Agency officials, starting at the top, can set the tone by emphasizing compliance assistance and prevention through education, so that finable offenses—not to mention larger tragedies—do not occur in the first place.

If businesses are no longer apprehensive in approaching an agency when they need clarification, they will likely find regulatory compliance easier, and will be more successful in meeting compliance goals. In turn, all of us will enjoy safer workplaces and a cleaner environment.

I look forward today to discussing our shared goals and feasible solutions. It is my hope that we can start setting the right tone from the very top at agencies and getting this right.

With that, I will recognize Ranking Member Heitkamp for her opening remarks.