

Statement of Ranking Member Thomas R. Carper

*“Accounting for the True Cost of Regulation:
Exploring the Possibility of a Regulatory Budget”*

June 23, 2015

As prepared for delivery:

Good morning, everyone. Our thanks to each of you for joining us this morning.

I’ve long believed that one of the most important roles for government is to create a nurturing environment for job creation and job preservation. Among the elements needed for that nurturing environment are these: access to capital; public safety and the rule of law; a robust transportation system; a reasonable and predictable tax system; affordable, quality health care; a clean environment; good schools and a world-class workforce; access to key decision makers; and finally, common sense regulations.

Regulations help consumers feel confident that the products they buy and use every day are safe. Thoughtful regulations provide businesses with the predictability that they need. They play a major role in our daily lives, and usually in positive ways. Every time we go to the bank, drive a car, or take a breath of clean air or a drink of clean water, we are enjoying the benefits of regulations.

Of course, the regulatory process can be cumbersome at times. And many regulations oftentimes do impose some additional costs and requirements on businesses and on others who must comply with them. But I disagree with those who think that we have to choose between regulation and having a robust, growing economy.

For example, common-sense, cost-effective regulations to address our nation’s environmental and energy challenges help to reduce harmful pollutants and lower our energy costs. They also help the economy by putting Americans to work in advanced manufacturing jobs to create new products.

I like to say that many of the laws Congress enacts can be likened to a skeleton. When regulations are adopted, they provide the meat on the bones. Congress can’t always include in legislation the minute details so we must ensure that the regulatory process results in regulations that achieve the objectives laid out in the laws that Congress passes. To that end, it is important that we conduct oversight of the regulatory process to try to reduce burdens and encourage transparency.

As we work to reduce burdens, however, let’s not forget about the benefits that flow from most regulations. I worry that that is the fatal flaw in many discussions of a ‘regulatory budget’ or ‘regulatory pay-go’ that is the subject of today’s hearing. Such a system does not account for the many benefits that regulations can and do provide.

Excluding benefits from the equation may lead to the repeal of a rule and a reduction in the burden it places on businesses. But doing so ignores the potentially ignores much greater benefits, economic and otherwise, that that rules can bring to society as a whole. That would be a mistake.

To be honest with you, I have some concerns with the idea that an agency's ability to implement a new rule could depend on it repealing an older one first in order to meet its 'regulatory budget,' when in fact the older regulation may still be necessary. Or maybe even worse, an agency may delay implementing a much needed rule because an offset can't be found.

For example, the EPA could be forced to choose between issuing the proposed Clean Power Plan rule to regulate carbon pollution or keeping the Mercury and Air Toxics rule to regulate mercury emissions. It doesn't make sense to make the EPA choose which air pollutants to regulate to protect public health just to fit within the restrictions of a regulatory budget.

That said, I'm a strong supporter of efforts to identify existing regulations that should be modified or repealed. I have been encouraged by the Administration's work in this arena and by the personal commitment the President has shown to these efforts to conduct retrospective reviews.

It's my understanding that the Administration has already identified ways to reduce burdens and save billions of dollars. I want to work with the Administration so that we can find ways to build on those results.

My colleagues have oftentimes heard me say that we should always be looking for what works and do more of it. That includes looking to the states and other countries to learn what we can from their experiences. I look forward to hearing the discussion from our witnesses today and to learning more about how Canada has grappled with these issues. Thank you all for being here.

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