

# **Opening Statement of Chairman Ron Johnson**

## **“Toward a 21<sup>st</sup> Century Regulatory System”**

### **February 25, 2015**

*As prepared for delivery:*

Good morning and welcome.

Today’s hearing is focused on moving us toward a modern and efficient regulatory system. Specifically, we’ve called this hearing to gain a better understanding of the federal regulatory landscape so that we may better engage in reforms necessary to improve it.

Federal regulations are inextricably intertwined with America’s economic future – federal rules beset nearly every industry and economic decision. According to the Congressional Research Service, “the number of final rules published each year is generally in the range of 2,500-4,500,” with the *Code of Federal Regulation* amounting to over 100 million words. Measuring the impact of such a massive number of rules is no simple task but is nonetheless a necessary first step to addressing it. The purpose of this hearing is to take that first step and develop an understanding of the scope and effect of the current federal administrative state.

There are of course two sides to the regulatory coin: benefits and costs. As President Obama wrote almost three years ago, “regulations play an indispensable role in protecting public health, welfare, safety ... but they can also impose significant burdens and costs.” Achieving the most effective and beneficial regulatory system, despite efforts by presidents of both parties, requires Congress to take an active and ongoing role in assessing, updating, and reforming the rulemaking process.

Today we will discuss three topics: (1) measuring the size of the total regulatory impact, (2) the use of regulatory impact analysis in rulemaking, and (3) the role of retrospective review of regulation.

Our overarching mission for this committee is to ensure the economic and national security of America. A regulatory process that works for, not against, America’s families and businesses is foremost in achieving that goal.

Thank you. I look forward to your testimony.

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