

Opening Statement of Chairman Ron Johnson

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

June 23, 2015

As prepared for delivery:

Good morning and welcome.

Today’s hearing is part of our continuing effort to move us toward an efficient and accountable regulatory system. We’ve called this joint hearing with the Budget Committee to explore ways that sensible budgeting mechanisms could be used to take hold of the federal regulatory system and ensure a more prosperous future. I’d like to thank my colleagues who serve on the Budget Committee, particularly Chairman Enzi and Ranking Member Sanders, for working with our committee on this critical issue.

Congress often doesn’t pass laws anymore – it passes frameworks, authorizing broad powers for regulatory agencies that are used to promulgate all kinds of rules and regulations. While some of these regulations are necessary to implement the law, some are also beyond the scope of congressional intent and unnecessarily burden businesses and families. In 2014, according to the Competitive Enterprise Institute, each new law passed by Congress resulted in 16 new regulations. Unfortunately, this system benefits both Congress and the executive branch: Congress gets to hold at arm’s length any potential consequences of the laws it passes, and agencies are often given limitless authority to regulate.

Congress needs to take control of the regulatory system and assume some accountability for the results. Fortunately, other countries, such as Canada and the UK, are leading the way by showing us that regulatory budgeting policies can work and find popular national support.

We need to find ways to force the federal government to be explicit about the economic costs it imposes on the country, incentivize agencies to seek continuous improvement of their existing rules, and put Congress on the hook for authorizing regulatory costs.

Today we will focus on two main topics: (1) how has Canada’s “One-for-One” rule, the first such policy enacted by legislation, worked to limit that country’s regulatory burden, and (2) what lessons Canada’s experience has for us as we investigate such a system for the United States.

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.