



United States Senate
Committee on Homeland Security and Governmental Affairs
Chairman Joseph I. Lieberman, ID-Conn.

Federal Regulation: A Review of Legislative Proposals

Chairman Joe Lieberman

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AS PREPARED FOR DELIVERY

This morning we hold the third in a series of hearings to assess the impacts of federal regulations and consider whether legislation is needed in this session to improve the process or substance of rulemaking. In fact, you might say, this is actually the second half of a hearing began last month to focus on some of the pending legislative proposals to make changes to the existing rulemaking system. At that first session, we heard from senators on and off the Committee who are sponsoring reform proposals, and from the Administration. Today we will welcome one more colleague – Senator Whitehouse from Rhode Island – who has two new proposals to improve the regulatory process. Then we will hear from four experts and advocates – including two former directors of the Office of Information and Regulatory Affairs, known as OIRA --with extensive knowledge of the regulatory process and many of the proposed changes.

As I said last time, the question is not whether to regulate but how to weigh the costs and benefits of regulations so that we have the most efficient and effective rule-making. We know that regulations have brought us invaluable improvements in health, safety and environmental quality, and are essential to the financial stability of the private sector. Especially when our economy is under such duress, the regulatory process must be open, rigorous, and accountable, to avoid regulatory excesses that undercut economic health. We must also avoid roadblocks that get in the way of an agency’s ability to modernize rules to better protect both the public and the economy.”

Newly released OMB figures indicate that for fiscal year 2010 the aggregate benefits of major rules once again greatly exceeded aggregate costs, potentially by tens of billions of dollars. Nevertheless we are also agreed that we must be vigilant in policing the regulatory process and ensuring it does not lead to regulatory excesses that become a drag on economic health. This is particularly urgent now that our economy is under such strain.

I applaud the work of President Obama to strengthen the rulemaking process. His recent executive orders and administrative guidance place ever more emphasis on ensuring rules are cost effective and impose the least possible burden, particularly for small businesses. The so-called “look back” reports mandated by the Administration – which involve a review of existing rules – are already paving the way for significant cost savings and paperwork reductions.

I also commend my colleagues for their attention to this matter, as evidenced by the numerous regulatory reform bills pending before the committee. These proposals include an array of proposed changes, including mandating new economic analyses and “look back” reviews, or requiring explicit Congressional approval of all major rules

While our shared aim is a more efficient and effective rulemaking process, at our last hearing, OIRA Administrator Cass Sunstein cautioned that some of these proposals – such as expanded judicial review of agency analysis and decision-making --could introduce excessive expense, delay or uncertainty into what is already a complex system. So as we continue our discussion today, I look forward to fleshing out some of those concerns with our panel.

Senator Collins?