

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and pass the Senate bill, S. 1258.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

REGULATORY RIGHT-TO-KNOW ACT OF 1999

The SPEAKER pro tempore. Pursuant to House Resolution 258 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1074.

□ 1503

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1074) to provide Governmentwide accounting of regulatory costs and benefits, and for other purposes, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentlewoman from Illinois (Mrs. BIGGERT) and the gentleman from California (Mr. WAXMAN) each will control 30 minutes.

The Chair recognizes the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Chairman, I yield myself such time as I may consume. The gentleman from Indiana (Mr. MCINTOSH) is unavoidably detained and will be here shortly and asked me to proceed.

Mr. Chairman, I rise in strong support of H.R. 1074, the Regulatory Right-to-Know Act, of which I am proud to be a cosponsor. Once again, the Congress is taking the lead in enhancing the accountability of the Federal Government to the American people.

The Regulatory Right-to-Know Act is a bipartisan bill that will allow us to better understand the impact on our economy of Federal regulations and bureaucratic red tape. It requires the Office of Management and Budget to submit an annual accounting report that estimates the costs and benefits of Federal regulatory programs.

The importance and timeliness of this legislation cannot be understated. Recent studies estimate the compliance costs of Federal regulations at more than \$700 billion annually. Unfortunately, these costs amount to a hidden tax passed on to hardworking Americans in the form of higher prices, reduced wages, stunted economic growth and decreased technological innovation.

Just think, if we could lower the cost of Federal regulations by just one-seventh of that amount, \$100 billion per

year, it would have the effect of a \$1 trillion tax cut for the American people over 10 years. That is \$200 billion more than the tax cut we fought so hard to pass just last week.

But to lower the costs, we have to know the costs. The Regulatory Right-to-Know Act will provide this valuable information, helping regulators make better, more accountable decisions.

Mr. Chairman, I do not believe that all regulation is bad, but we ought to know the true cost of these actions so that we can judge how useful they really are.

I urge my colleagues to support H.R. 1074 to begin this important review.

Mr. Chairman, I reserve the balance of my time.

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I may consume.

I rise in opposition to H.R. 1074, the so-called Regulatory Right-to-Know Act of 1999. This legislation would require the Office of Management and Budget to prepare an extensive annual report on the aggregate costs and benefits of Federal regulations, by agency, by agency program and by program component.

For the past 2 years, Congress has enacted appropriations riders that require OMB to tabulate the costs and benefits of major Federal regulations. Some observers have found this annual cost-benefit report to be helpful. They argue that it shows the health, environmental and other benefits of Federal regulations and how those benefits far outweigh their costs.

For example, the 1998 Report to Congress on the Costs and Benefits of Federal Regulations concluded that those benefits far exceeded the costs by anywhere from \$30 billion to \$3.3 trillion. Well, that is a good report supporting the benefits of these regulations and how they outweigh the costs of the regulations. That is what we want to know.

But other observers have questioned the utility of these annual reports. According to the OMB, the Office of Management and Budget, aggregating costs and benefits of regulations are, they say, of little value to policymakers because they offer little guidance on how to improve the efficiency, effectiveness or soundness of the existing body of regulations. Why? Why would that be the case? They say, because the information available includes enormous data gaps, accurate data is sparse and agreed-upon methods for estimating costs and benefits are lacking.

Furthermore, critics like Professor Lisa Heinzerling of the Georgetown University Law Center say that the difficulty in quantifying benefits is likely to cause skewed results. Comparing aggregate, quantifiable costs, such as the dollar cost to comply with regulations, is easier to do than to quantify the really basically unquantifiable benefits, such as lives saved or a cleaner and healthier environment, and so to compare the two may mislead the public about the net benefits of regulation.

Well, whatever the merits of the current annual report that is being prepared by OMB, this bill is seriously flawed. First of all, this bill does not codify the idea that we will have annual reports. Instead, it dramatically expands these requirements in ways that will substantially increase the burdens on OMB, raise the costs to the taxpayers, and produce little significant new information.

In short, if H.R. 1074 were itself subject to a cost-benefit analysis, it would flunk.

One of the major problems in this bill is its scope. Currently, OMB prepares an annual analysis of the costs and benefits of "major" regulations with an annual economic impact of over \$100 million. This makes some sense. There are relatively few major regulations. Out of the 5,000 regulations issued in the Federal Register each year, only about 50 have major economic effects. The limitation to major regulations allows OMB to focus its analysis on the most important and costly regulations.

Moreover, agencies that promulgate these major regulations have to prepare cost-benefit regulations as part of the rulemaking process, so this gives OMB a database to draw from.

But this bill, H.R. 1074, is not limited to major regulations. It requires a cost-benefit analysis of all 5,000 regulations issued each year. According to this bill, the report must include, quote, an estimate of the total annual costs and benefits of Federal regulatory programs, including rules and paperwork; one, in the aggregate; two, by agency, agency program, and program component; and, three, by major rule. This would therefore require agencies to perform cost-benefit analysis for all rules in order to provide OMB with the information it needs to compile the aggregate report.

This simply does not make sense. OMB testified that this bill would require OMB and the agencies to compile detailed data that they do not now have, and undertake analyses that they do not now conduct, using scarce staff and contract resources. That is because there is no such information available for these 5,000 nonmajor rules.

The administration says that the increased burden that this would place on the agencies would crowd out other priorities and would add little value. We have heard similar comments from unions, consumer groups and environmental organizations. Groups opposed to H.R. 1074 include the AFL-CIO, the American Federation of State, County and Municipal Employees, Public Citizen, the Natural Resources Defense Council, the Sierra Club and dozens of other national and local public interest groups.

Before the committee markup in May, we reviewed the Federal Register to see what types of rules would be subject to this new cost-benefit analysis. One example was a temporary rule issued by the Coast Guard governing the operation of a drawbridge near

Hackberry, Louisiana. This regulation was completely noncontroversial. In fact, it was actually requested by the State in order for the State transportation department to make some necessary repairs. Yet under H.R. 1074, OMB now needs to conduct an analysis of the economic costs and benefits of this regulation, including its direct and indirect effects on economic growth, prices, wages, small business and productivity.

There are hundreds, perhaps thousands, of rules issued each year that fall into this category. Is this how we want to spend the taxpayers' dollars?

Not only would this bill be wasteful, it would provide an incomplete picture of the costs and benefits of government programs by omitting corporate welfare from the report of aggregate costs and benefits to the taxpayers. According to an investigation by "Time" magazine, the Federal Government gives out \$125 billion a year in corporate welfare. It seems to me that it is only logical that any OMB report should include all costs and benefits to the economy, including the costs to the taxpayers and benefits to businesses from corporate welfare.

Later today, several of our colleagues will introduce an amendment to address these concerns. The Hoeffel-Kucinich-Visclosky Taxpayer Protection and Corporate Welfare Disclosure Amendment would require OMB to report on the costs and benefits of corporate welfare.

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It would also limit the amount of money that could be spent on these analyses to \$1 million, double what the CBO estimated for the annual cost to implement the bill, while we are giving twice as much as CBO says this bill is going to cost, because I do not think their cost estimate is going to be correct.

And there ought to be some ceiling on the amount of money that hard-working taxpayers are going to pay to do this analysis that may not even be of any value. We ought not to be spending certainly more than \$1 million on this project which seems to be the personal agenda of some of those who are pushing the legislation. While this amendment does not address all my concerns with H.R. 1074, it will go a long way towards protecting the taxpayer by limiting the cost of the bill and giving a more accurate picture of the costs and benefits of government programs.

Mr. Chairman, I would urge at the appropriate time that Members support the amendment. The Hoeffel-Kucinich-Visclosky Taxpayer Protection and Corporate Welfare disclosure amendment is a commonsense amendment that would at least improve a deeply flawed bill.

Mr. Chairman, I reserve the balance of my time.

Mrs. BIGGERT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, no one in this room would buy a house without hiring an inspector to look it over carefully to make sure it was liveable; no one would buy a new car without looking at the warranty and taking it out for a spin to make sure that it runs; none of us would buy a new suit of clothes without having it professionally tailored and then trying it on first to see if it fits, yet we expect the American people to spend \$700 billion a year to comply with thousands of Federal regulations without knowing whether those regulations do what they are supposed to do.

I think we owe the American people an explanation. H.R. 1074 will help us give them one. It will help us answer the questions about whether all these regulations are worth what we are paying for them and whether society enjoys a net benefit. This bill will improve our regulatory system by putting timely, reliable information on the costs and benefits of regulations in the hands of policymakers and legislators. At the same time, it leaves in place all existing rules and it maintains the integrity of the existing rulemaking process.

Mr. Chairman, the American people deserve to know what they are getting for \$700 billion a year.

Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I wish to rise in support of H.R. 1074. The public has a right to know. What this issue really boils down to is what is good for democracy, and what is always good for democracy is information. What this legislation seeks to achieve is to give the public information.

Now through our regulatory framework in our Executive Branch of government all of our laws in this country are implemented, executed by our Executive Branch of government. We here in Congress often pass overly vague laws, and it is up to the regulators, the Executive Branch of government as defined in the Constitution, to put the teeth in those laws, to execute those laws, to define the regulations.

But what we are finding in this Federal Government which has become very vast and very large with so many different regulations, so many different agencies often promulgating the same regulations on the same topic and the same issue, that we have so much duplication, we have so many regulations that are passed onto our people which really take the full force of law, which do not take into account any chance of looking at whether the costs exceed the benefits, whether there is a better way of imposing the regulation or whether it duplicates other existing regulations within the Federal Government.

What this bill seeks to do is to have OMB, the Office of Management and Budget, conduct a review every year, something well within their means,

something the Congressional Budget Office says is very minimal on a cost basis. What the OMB will do under this law is give us a report analyzing the costs and the benefits of proposed regulations. It will look at whether or not regulations duplicate each other.

We analyzed this last week, and we looked at so many different areas where regulations are so duplicative that people, family farmers, factory workers, small businessmen and women in this country are facing regulations that tear them in different directions. We have two different regulatory agencies pursuing wet lands conservation laws. One regulatory agency told a farmer in California, Dave Peckham, "Go ahead and farm your field, put a vineyard in there. Make sure you put your vineyard around this wetland," and then another agency came and said, "You're violating the law. We're going to conduct fines and impose penalties on your business."

We have so much waste and duplication in our regulatory agencies in this government that the public has a right to know what is being duplicated, where is this taking place. The public also has a right to know about the costs and the benefits of the regulations being placed upon our people. And what this really comes down to is simply a good government act. This is good government.

The U.S. Government imposes a hidden tax on our public today. Last week, we voted for a tax relief package. We imposed taxes, income taxes, excise taxes, inheritance taxes, capital gains taxes, death taxes on our people in an overt way. We see the tax, it comes out of our paycheck, we send in our 1040. But there are other taxes that our public pays today, there are other taxes that citizens of this country pay, and that is a hidden tax, the cost of regulations.

It is estimated by Thomas Hopkins of the University of Rochester, the Rochester Institute of Technology, that hidden tax of regulations costs our economy, our people, our small businesses every year in excess of \$700 billion. A \$700 billion tax is being imposed upon the people of this country, and we are not even looking into whether or not these taxes exceed the costs, whether the benefits of these taxes exceed the costs, whether or not they are being duplicative or not. All this is a good government measure to say: Let us look at what we are doing as a Federal Government, let us look at the regulations we are promulgating.

This does not change one regulation, this does not affect any law from being implemented. This gives the public the right to know the truth. This gives the public the information that they need so they can follow the law.

All we are saying is, "Let's have the Office of Management and Budget review these regulations, let's have the Office of Management and Budget weigh the costs and the benefits of these regulations, let's have the Office

of Management and Budget tell us whether they are overly duplicative or not," and I would like to echo what my colleague from Illinois said about the bill and its supporters:

Mr. Chairman, this is a bipartisan bill. This bill is being supported by the National Governors' Association, the National Conference of State Legislators, the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties and the International City and County Management Association. The bill is also supported by Americans for Tax Reform, the Center For The Study of American Business, Citizens for a Sound Economy, the Seniors Coalition and the Sixties Plus Coalition.

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I might consume.

It is very peculiar to hear the gentleman from Wisconsin (Mr. RYAN) say we have OMB to do this analysis so we can find out the cost benefit of regulations. Well, OMB already does that, and the gentleman said the OMB said it costs \$700 billion a year to comply with regulations.

That is not accurate. OMB said, after doing their analysis, that it costs \$230 billion not \$700 billion; and that is the costs. But the benefits for regulations OMB said ranged, because we cannot know precisely how to quantify it, but we know there are certain enormous benefits that come from regulations to protect the environment, to protect public health and safety; they say the benefits of a \$230 billion cost is anywhere from \$260 billion in benefits to \$3.5 trillion.

Now the gentleman wants OMB to do a report, but he ought to be accurate in telling the Members what OMB is already saying on this very subject. Let me tell my colleagues what some others are saying about this bill.

The United Auto Workers say the UAW submits that this bill would only serve to further delay the promulgation of public health and safety protections by mandating wasteful analysis and diverting limited agency resources.

The United Steelworkers say that they oppose this bill because it would lengthen and complicate the already cumbersome regulatory process of agencies such as OSHA which address issues affecting worker safety and health.

The Consumers Union opposes this bill, and they say that the substitution of different words or details does not obviate the need this bill would create for the Executive Branch to expend the very substantial resources in an attempt to quantify what they may well find is unquantifiable and most certainly would be meaningless in an aggregate form.

Now do we want to take taxpayers' hard-earned money and waste it, because that is what this bill would do. It would have OMB spend, I believe, without a limit, millions of dollars on an analysis on non-major regulations. We are not talking about major regula-

tions, but regulations that are non-major, often noncontroversial, usually noncontroversial, regulations that everyone supports, and then have to go through a lot of paperwork. Well, maybe it is a win for those who have their own agenda to say that if maybe they are lucky, OMB came out with a report showing that the costs out-did the benefits. They can say, well, there is a wasteful regulation, but even if they can never come up with a way of showing that some of these regulations are not effective, they could just busy all the people in the government doing these reports that serve no useful purpose.

Let us subject this bill to a cost-benefit analysis. We do not know what the full costs will be of this bill to make OMB go through all these regulations and review. But we do know that the costs are going to be extraordinary and the benefits are going to be minuscule. We ought not to enact legislation that does not serve a cost-benefit purpose, we certainly ought not to have regulations that do not have benefits outweighing the costs. And I think that the way to make sure that we have regulations that are effective and cost effective is to do our job as congressional custodians through oversight and not just simply pass laws that can do a great deal of harm.

Mr. Chairman, I reserve the balance of our time.

Mrs. BIGGERT. Mr. Chairman, I ask unanimous consent to yield the remaining time to the gentleman from Indiana (Mr. MCINTOSH) for his management.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

The CHAIRMAN. The Committee will rise informally.

The SPEAKER pro tempore (Mrs. BIGGERT) assumed the chair.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

□ 1530

REGULATORY RIGHT-TO-KNOW ACT OF 1999

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. MCINTOSH).

Mr. MCINTOSH. Mr. Chairman, how much time is remaining on each side?

The CHAIRMAN. The gentleman from Indiana (Mr. MCINTOSH) has 21½ minutes remaining; the gentleman from California (Mr. WAXMAN) has 16 minutes remaining.

Mr. MCINTOSH. Mr. Chairman, I yield myself such time as I may consume.

We are bringing this bill, the Regulatory Right-To-Know Act of 1999, which is, as my colleague said, a bipartisan bill to promote the public's right to know the cost benefits and impacts of Federal regulations. This bill is the product of work done by the gentleman from Virginia (Mr. BLILEY) over the last several years, and it builds on provisions that were included in the Treasury and General Government Appropriations Act for 1997, 1998, and 1999. There is also a companion bill in the Senate, S. 59, also designed to establish a permanent and strengthened regulatory accounting system.

Now, my colleague, the gentleman from California (Mr. WAXMAN) says this bill would put onerous new requirements on the bureaucracies and the agencies that write regulations. If only there was that sentiment and concern about the small businesses, the farmers, the people who are working to earn a living outside of government about the onerous costs of Federal regulations, because estimates are that they do, indeed, amount to \$700 billion a year. These are private estimates which have measured the cost of these.

Mr. Chairman, H.R. 1074 is a good government requirement that the Office of Management and Budget would actually make sure that the regulatory impact analyses are done on major rules and that they aggregate these into an annual accounting statement and an associated report. The accounting statement would provide the estimates of the costs and benefits for Federal regulatory programs in the aggregate; not one-by-one as each rule comes through the process, but by agency, so that we can compare where are these costs coming from; which agencies have the greater burden; which agencies provide the greater benefits for us in these social programs, as well as by program within each agency, and by program component.

The information would be provided for the same 7-year time series as the budget of the United States: the current year, 2 preceding years, and the 4 following years.

The associated report would analyze the impacts of Federal rules and paperwork on various sectors; for example, what is the cumulative impact on several different agencies on small businesses or on farmers, and it would also do it by functional areas; what is the impact on public health. That is where I think we will see the greatest analysis of the potential benefits of Federal regulations. Where are our regulatory programs having an impact on the environment, giving us a cleaner environment; where are they having an impact on creating greater health for the public; where are they having an impact on greater safety.

The essential question that I think this analysis and the final report will help us to answer is how do we get the