

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

biggest bang for our buck, for all of the billions of dollars of regulatory costs that we impose upon this country in order to pursue those social goals of a cleaner environment, a healthier workplace, and a healthier lifestyle for all Americans.

One of the things we have noticed in our subcommittee time and time again is that there are many times in which we have overlapping regulations, the gentleman from Wisconsin (Mr. RYAN) spoke of several of those, in which we have duplications, in which we have potential inconsistencies among Federal regulatory programs. The report will offer recommendations to reform those inefficient programs so that we can do a better job. Once again, how do we get the biggest bang for the buck out of all of the costs imposed in Federal regulations.

Currently, there is no report that analyzes these cumulative impacts of Federal regulations. I believe from the bottom of my heart that Americans have a right to know what are those costs, what are those benefits, and what are the impacts they have on various sectors and various functional areas.

Current estimates, as we talked about earlier, are, indeed, in the private sector, could be as much as \$750 billion, which would be, by the way, a 25 percent increase from 10 years ago. Nobody quite knows because the Regulatory Right-to-Know bill has not been enacted; and, therefore, there is no cumulative accounting for the costs of regulations. By the way, if that estimate is correct, that ends up being a little less than \$7,000, about \$6,900 for every family in America, a lot more than the taxes that they pay directly to the Federal Government.

Now, the bill requires OMB to issue guidelines, to standardize agency estimates of costs and benefits and the format for the annual accounting statement. The bill also requires the Office of Management and Budget to quantify the net benefits for each alternative considered, as well as the net costs, so that we can determine whether the agencies are doing their job in maximizing the benefits to the environment, health and safety, and minimizing the costs to the American public.

I think this bill will help the public understand how and why major decisions that are made by the executive branch agencies are made, and it will disclose if there are agencies that have indeed chosen the most effective and least costly approach.

To ensure a balanced and fair estimate in these areas, the bill requires that this annual report be publicized in a draft form and be submitted to with two or more experts for the opportunity of peer review, so that we get outside estimates, outside expertise looking at those questions on the costs and the benefits of regulations. Finally, it requires that the report be published annually, so that everybody,

every citizen can have access to that information.

One of the things that we have also done is we require OMB to compile some new and improved information about regulatory programs, but we also believe that the bill will not impose any significant undue burden on OMB, since much of the needed regulation is either already available or already to be provided to OMB under the President's executive order on regulatory review.

Now, since 1981, when President Reagan issued his historic executive order, the Federal agencies have been required to perform a cost-benefit analysis of major rules, which constitutes the bulk of the Federal regulatory cost and benefits. Also, OMB can use any other sources of information, including private regulatory accounting studies and government studies done by the agencies.

The bill, as reported by the Committee on Government Reform, made many changes to lessen the burden on OMB and to address the administration's concern, including a phase-in of some of these key requirements. The result is that the CBO has estimated the cost of this bill to the taxpayer is less than \$500,000, less than \$500,000 each year. To me and my way of thinking, that is a tremendous benefit when one can spend a little less than \$500,000 and potentially save billions of dollars for the American public on unnecessary, duplicative regulations.

There is also a very small sum of money to tell us where can we get the biggest bang for the buck in terms of improving the health and safety of the American worker, in terms of getting the biggest bang for the buck in cleaning up the environment, in terms of getting the biggest bang for the buck in allowing Americans to live a healthier life. I think the cost of this rule, as demonstrated by the CBO estimate, certainly meets any type of cost-benefit analysis that we might want to impose on it.

This bipartisan bill has been endorsed by many organizations; and my colleague, the gentleman from Wisconsin (Mr. RYAN) started to mention several of the major public organizations, representatives of cities and towns and State governments, as well as the National Governors Association; but it has also been endorsed by the Alliance USA; the American Farm Bureau Federation; the Americans for Tax Reform; the Associated Builders and Contractors and the Business Roundtable; the Center for the Study of American Business; the Chamber of Commerce of the United States of America which, by the way, is key voting this bill; the Chemical Manufacturers Association; The Citizens for a Sound Economy, which is also key voting this legislation; the National Association of Manufacturers, which is also key voting the legislation; the National Associations of Towns and Townships; the National Federation of

Independent Businesses; the Seniors Coalition; 60 Plus Association; and the Small Business Survival Community; which is also key voting this piece of legislation.

Now, unfortunately, some of the complaints about this bill, some of those raised in fact in the minority views of the committee report, end up misunderstanding the bill and therefore lead to incorrect or misleading assertions about what is required in the legislation. For example, it incorrectly states that it would require a cost-benefit analysis for every major and minor rule. That is simply not in the legislation.

What the bill does require is that major rules that are currently subject to the executive order have a regulatory impact analysis, but there are no new regulatory impact analyses, no new rule-by-rule cost-benefit analyses, and no new rule-by-rule impact analyses. Simply, what this bill does is require OMB to enforce the executive orders and then aggregate the data by various sectors.

One of the things that we must do in focusing on this is also ask ourselves, will this have an impact on slowing down issuing of regulations. The bill does not change any standard of law; and it cannot, frankly, slow down any rulemaking, because the analyses are required to be done after the fact and in the aggregate. This is a look back to say what are the regulatory programs that were put in place in the past year and what are the costs, so that we can now look and see whether we have the best overall regulatory proposals.

I hope today's debate recognizes both the bipartisan nature and the narrow intent of H.R. 1074 to provide useful information. The public, it does have a right to know where its regulatory agencies are performing and how they are doing; and it will provide useful information to decisionmakers, both in Congress and in the executive branch, about the costs, the relative benefits, the impact of various Federal programs, so that we can do a better job of legislating in those areas, and the executive branch can do a better job of regulating in those areas.

In May and April, at the subcommittee and full committee mark-ups, opponents of the bill tried to add some amendments to cripple the legislation or to undermine the public's ability to actually receive the information about these regulatory programs. There are some amendments on the floor today that would do that. I think it is critical that we move forward to actually ensure that the public does have a right to know about its regulatory process, and I would urge my colleagues to oppose any weakening amendments, any amendments that would gut the bill, any amendments that would be, in fact, undermining the essential goals of this legislation. I believe the public has a right to an open and accountable government. OMB's accounting statement and a report

that this legislation will require, will provide important tools to help Americans participate more fully in government decision-making, and to assist in making smarter regulatory decisions for the future.

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

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

Mr. Chairman, I would point out that the gentleman from Indiana is absolutely incorrect when he tells us that his bill would apply to just the major rules, because the text of his bill provides that there would be all the rules and paperwork in the aggregate, by agency, agency program and program component, and by major rule. If he wanted it by "major rule" alone, he could have said that.

Further, on the bill it says, "analysis of the impacts of Federal rules and paperwork on Federal, State," so on and so forth. It does not say "major," it says "impacts of Federal rules." The consequence of that would be, I believe, to waste an enormous amount of money.

There is an argument to do a cost-benefit analysis, as has been required in the appropriations riders, on the major rules. But when we get into these minor rules, we are talking about things like noncontroversial requests to have a regulation of a drawbridge near Hackberry, Louisiana, that everybody supported, and then one would have to go through all the paperwork to do an analysis on a noncontroversial rule.

On May 14, the Veterans' Administration issued a rule to adjust the level of education assistance available to veterans as required by the Benefits Act for Veterans of 1998. This rule was strictly ministerial, since the adjustment was required by statute. That rule would have to be subject to an extensive analysis with a lot of paperwork, with even peer reviewers to look at OMB's analysis after the fact.

On July 23, the Department of the Treasury issued a rule to allow the U.S. Mint to use mechanical means rather than melting to destroy mutilated coins. Well, we would have to have that rule reviewed over again to try to quantify the costs and the benefits of taking these mutilated coins and melting them down as opposed to using some other way to destroy them.

On July 23, the Food and Drug Administration amended its animal drug regulations to reflect the approval of a new drug to treat infections in dogs. Well, why should that have to go through a long, extensive review of the costs and benefits?

Now, it is not just the costs and benefits of that regulation, in and of itself; but it is costs and benefits to the economy, to wages, to productivity and growth. So we are, in effect, mandating an enormous amount of burden, a lot of busywork, wasting taxpayers' dollars to comply with this legislation that is so overly broad in the way it has been drafted.

Now, there may be groups that support it because they were misinformed, as are the Members being misinformed today about the legislation. They may think it was only the major rules, but in fact, it goes far beyond that.

Mr. Chairman, could I just inquire as to the amount of time on each side.

The CHAIRMAN. The gentleman from California (Mr. WAXMAN) has 13 minutes remaining, the gentleman from Indiana (Mr. MCINTOSH) has 10 minutes remaining.

□ 1545

Mr. WAXMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, my concern about H.R. 1074 is that it would give us an incomplete picture. The proponents of this bill, of the Regulatory Right-to-Know Act, are asking for a cost-benefit analysis of Federal regulations, arguing that the public and Congress have a right to know the cost of the regulations that are promulgated by the bureaucracy in response to the statutes that we pass here in Congress.

Frankly, it is a fair request. It is a rational request. I understand why they want to know that. They say it may cost \$700 million a year. They cite private estimates that may or may not be true. It could be far, far less than that, as government studies have indicated. However, we do have some reason to want to know the cost of government regulation.

But the bill before us would give an incomplete picture. There is no question that government regulations cost money. They cost businesses money to comply. That is obvious on the face. In return, we hope we get certain benefits: a safer workplace, a more competitive business environment, better consumer protections, cleaner environmental sites, cleaner air, cleaner water. There is certainly a benefit intended when we pass a bill that is turned into a regulation that in turn regulates business.

But if we are really interested in finding out the impact on businesses of Federal action, we must not only do a cost-benefit analysis of regulations, but we must include in that a cost-benefit analysis of the corporate welfare received by many of those businesses.

"Corporate welfare" is a term bandied about a lot. It can mean a number of different things. It is outright government spending subsidies to certain businesses that give them a direct benefit from the taxpayer. Corporate welfare includes tax preferences, tax breaks, loan guarantees, and loan preferences.

Corporate welfare includes the use of government assets below market value. Grazing on government lands, mining on government lands, logging on government land at rates below fair market value, all of that comprises corporate welfare.

If we are serious about analyzing the cost of government action on American business, and if we really want to give the American people the full picture, we have to ask for the full picture. If we are going to ask the Office of Management and Budget to do an analysis of the cost and benefit of Federal regulations, we have to include in that analysis the costs and benefits of corporate welfare that have been estimated by Time Magazine at \$125 billion a year.

I will have more to say about the corporate welfare aspect of this debate when I offer an amendment on that subject in a few minutes. I rise now simply to urge the House to understand the full picture and to ask for the full picture.

What do the proponents of the bill have to hide? If we want to know the impact on business of Federal actions through regulations, let us include in that study the impact on business of the benefits given through corporate welfare.

Mr. MCINTOSH. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. BLILEY), the chairman of the Committee on Commerce.

As I mentioned, the gentleman is the originator of this legislation, and much credit goes to him for his diligent work in this area over the last several years.

Mr. BLILEY. Mr. Chairman, I thank the gentleman from Indiana for yielding time to me.

Mr. Chairman, I am pleased to have worked with the gentleman from Indiana (Mr. MCINTOSH), the gentleman from California (Mr. CONDIT), the gentleman from Texas (Mr. STENHOLM), and a broad bipartisan group of cosponsors on the Regulatory Right-to-Know Act of 1999.

The bill was introduced with 17 Democrats and 14 Republicans as cosponsors. The bill has been improved in committee to address some of the concerns of the Office of Management and Budget, and based on two amendments by the gentleman from Ohio (Mr. KUCINICH) to add new information requirements and to ensure a balanced and peer review.

One of the amendments of the gentleman from Ohio (Mr. KUCINICH) requires an analysis of the impacts of programs and program components on public health, public safety, the environment, consumer protection, equal opportunity, and other public policy goals.

Moreover, the definition of both benefits and costs include quantifiable and nonquantifiable effects, including social, health, safety, environmental, and economic effects. I think Members can see that we have gone the extra mile to ensure that this legislation encompasses a fair analysis and is not weighted just toward regulatory costs.

I should also note that the Regulatory Right-to-Know Act of 1999 changes no regulatory standard and will not slow down the development of

any regulation. Moreover, the Congressional Budget Office has scored this bill in its lowest category as costing under \$500,000 per year.

The Regulatory Right-to-Know Act is a basic step towards a smarter partnership in regulatory programs. It is an important tool to understand the magnitude and impact of Federal regulatory programs. The act will empower all Americans, including State and local officials, with new information and opportunities to help them participate more fully and improve our government. More useful information and public input will help regulators make better, more accountable decisions and promote greater confidence in the quality of Federal policy and regulatory decisions.

Better decisions and updated regulatory programs will enhance innovation, improve the quality of our environment, secure our economic future, and give a better quality of life to every American.

Mr. Chairman, while good management and accountability matter, there are a number of reasons that this act is the right step towards enhanced quality and accountability in regulatory programs. Over the past 4 years, this Congress has changed the direction of the Federal Government from the endless burden of more taxes and spending to the new fiscal discipline of balance and accountability.

For the past decade, America's business ingenuity accounts for a surge in quality and productivity. The result of this surge is an American economy which is the unparalleled envy of the world. Millions of Americans in private businesses have brought incredible improvements to our quality of life, health care, and education.

Through the new emphasis on flexibility and innovation, State and local officials have led the way to safer, cleaner, and more prosperous places to live. Given this power and responsibility, we in Congress must be the allies of state and local government, American business and families, through responsible management of the Nation's regulatory programs to ensure quality in necessary regulation and freedom from unwise regulation.

The drive for quality, the same basic drive toward the free market and State and local innovation, must be the drive for Federal regulatory programs as we enter the next millennium.

This may take time. We have already reviewed two accounting reports from the Office of Management and Budget. Many parties commented on drafts of these documents and have pointed out the need for substantial improvement. I expect the real impact from this information will be a few years from now, when the information base is built up further.

The concept of flexibility and improvement for the accounting statement itself is built into the legislation. I agree with the Office of Management and Budget, that the current informa-

tion is not sufficiently detailed to make management decisions. That is a few years down the road. We should not, however, accept a path where ignorance is bliss. We also agree with the Office of Management and Budget in its last accounting statement report when it said, "This report presents new information on both the total costs and benefits of regulations and the costs and benefits of major individual regulations. We hope to continue this important dialogue to improve our knowledge about the effects of regulation on the public, the economy, and American society."

In closing, this bill will provide vital information to Congress and the executive branch so they may fulfill their obligation to ensure wise expenditure of limited national economic resources and improve our regulatory system. Let us not forget that a tax or a consumer dollar spent on a wasteful program is a dollar that cannot be spent on teachers, police officers, or health care.

If we are serious about openness, the public's right to know, accountability, and fulfilling our responsibilities as managers, we will enact this important piece of legislation.

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

Mr. Chairman, the Clinton administration, which would have to enforce this proposal, has written that they oppose it. They say, "The increased burden that this would place on the agencies would crowd out other priorities and would add little value in many cases. That is because cost-benefit analysis can be very expensive and time-consuming."

The Environmental Defense Fund, which opposes this legislation, said that, "The bill ignores the serious practical and methodological limitations that characterize cost-benefit analysis. In doing so, it compels agencies to waste considerable taxpayers' resources developing new information that is worse than useless."

The Environmental Coalition of Mississippi said, "This legislation would impose burdens on Federal agencies, undermining their ability to protect consumers' civil rights, public health, safety, and the environment."

The Natural Resources Defense Council said, "We strongly believe this legislation would create needless bureaucracy and divert scarce agency resources away from the efforts to carry out and enforce vital public health and environmental safeguards."

Of course, I mentioned in my opening comments all the other environmental, public health, public interest groups that oppose this legislation. The main reason that I would urge Members to oppose it is that it is not what it has been represented to be. It is not a review of the major regulations. It covers all regulations. It wastes taxpayers' dollars in doing so.

To me, to waste taxpayers' dollars in the name of trying to save taxpayers'

money is a fraud on the American people. This legislation is well-intended but poorly drafted, and for that reason, I would hope that when we get to final passage of the legislation, Members would vote against it.

For a proposed regulation to be promulgated by an agency, it has to be reviewed and subject to comments from anybody affected. After that, it goes to the Office of Management and Budget, where they are required by law to review it and to do a cost-benefit analysis on it before it is considered one that will be put into final form. After that, once the regulation becomes legally binding, existing riders on appropriations say that if it is major, we ought to review it for cost-benefit to see whether we are getting the benefits for the costs.

This bill goes beyond all of that and requires that small, non-controversial regulations be subject to this wasteful exercise for no value after we have got all that paperwork that will be generated by the legislation. So I would hope that Members would oppose the bill.

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

Mr. MCINTOSH. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. TERRY).

Mr. TERRY. Mr. Chairman, I rise in support of H.R. 1074. Before coming to Congress, I spent 8 years as a Member of the Omaha Nebraska City Council. This gave me an opportunity to observe firsthand the impact of Federal regulations on our cities.

Many of the regulations may not cost the Federal Government much, but the cost to the States and the localities can often be great. Washington regulators need to appreciate how much of a financial burden their rules are on other forms of government. They might even be encouraged to find more cost-effective ways of accomplishing their goals.

This is why this legislation is so necessary. Let me tell the Members, just to build a road within the city of Omaha, some firsthand experience. About 30 to 40 percent of the time and talent to get that road built is spent in trying to comply with Federal rules and regulations. It is very costly. The irony here is that some of those Federal regulations that we must comply with at the local level to try and build that road demand cost-benefit analysis.

I would say what is good for the goose is good for the gander. Perhaps some of those rules and regulations are not necessary, and we could streamline and create efficiencies and cost savings at the local level.

Information on the costs and the benefits of the Federal regulatory programs has been available since 1997. The existing legislation before us today strengthens the existing requirements and makes them permanent law.

From the City Council service, I can appreciate why all the major organizations representing State and local

elected officials support the Regulatory Right-to-Know Act. As a sponsor of H.R. 1074, I urge all my colleagues to join me in supporting it, and oppose the Hoeffel amendment.

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

Mr. Chairman, we have had these kinds of debates in the past on so-called regulatory reform proposals, and what we usually get in the course of these debates are a lot of anecdotes. They are the kinds of anecdotes that get all of us very angry. It usually involves some well-meaning citizen who is the victim of some terrible regulation, or an overzealous agency.

□ 1600

After we hear these gut-wrenching stories, we are asked to conclude that the regulatory system is broken and needs to be reformed. The only problem with these stories is that they are just that, stories. After the debate, we go back and research some of these anecdotes, as we have done in the past, and they may include a kernel of truth, but the facts and conclusions end up being wrong.

For example, in the 104th Congress, we were told about the Safe Drinking Water Act requiring the City of Columbus to test its drinking water for pesticide used only to grow pineapples. That, of course, is ridiculous. Everyone knows one does not grow pineapples in Columbus, Ohio. But when we looked into that story, which was told on the House floor, it turned out that the pesticide DBCP is considered a probable human carcinogen, and it was widely used on over 40 crops until it was banned in 1979. Since then, it was found in the groundwater in 24 States, and 19 States have reported levels above the Federal standard.

I remember also hearing from the gentleman from Indiana about OSHA killing the tooth fairy by requiring extracted baby teeth be disposed of as hazardous waste rather than allowing the parents to take the teeth home. Well, that sounds ridiculous. But when we checked it out, it turned out there was a regulation issued by the Bush administration that required dental workers to take precautions when handling extracted teeth because they were contaminated with blood. But a gloved dentist was allowed to put the tooth in a clean container and give the tooth to the parents for the tooth fairy.

There are other examples. But now, during the debate on this bill, we heard a new anecdote. Last Thursday, when we were debating the rule for this bill, and I believe that the gentleman from Wisconsin (Mr. RYAN) repeated this, we heard the story in the debate today of Dave Pechan who got caught in a turf fight over wetlands regulations between the National Resources Conservation Service and the Army Corps of Engineers.

According to our colleague, the Conservation Service gave Mr. Pechan ap-

proval to convert his land into a vineyard, but then the Army Corps of Engineers told them he will be subjected to civil and criminal penalties if he continues to work his land. He is now in limbo while the Corps conducts its own wetlands evaluation of his property. That is a quote from our colleague.

Well, we called the Army Corps of Engineers on Friday. What we found out is that, while the Corps disagreed with the Conservation Service's wetlands determination, it deferred to their decision. The Corps sent a letter to Mr. Pechan in December of 1997 informing him that their investigation was effectively closed. So Mr. Pechan is not being subjected to civil or criminal penalties, and he is not in limbo.

Mr. Chairman, we may disagree on the role of the Federal Government or the need for Federal regulations to protect health, safety, and the environment; but we ought to keep the debate on the facts.

The facts are this bill is not as has been represented, only dealing with major regulations. It applies to all regulations. The facts are this bill will cost a lot of money. We have heard cited the CBO's estimate of \$500,000, but I believe it is going to be more. We will see, if it is only \$500,000, whether the other side will agree to an amendment that will say, okay, no more than a million dollars can be spent on this enterprise.

I would like to submit for the RECORD, and I am going to with this statement, comparisons of other anecdotes and facts that we found for the various cases that have been raised on the House floor. Let us not let these anecdotes, which make all of us angry if we thought they were true, be used to get us to make policy changes in our law that will, as some of the groups that are opposed to this legislation indicated, provide for excessive waste of taxpayers' dollars, to develop a needless bureaucracy, divert scarce agency resources away from the efforts to carry out and enforce vital public health and environmental safeguards.

I would urge opposition to this legislation.

With these comments, Mr. Chairman, I yield back the balance of my time.

Mr. MCINTOSH. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman from Indiana for yielding me this time.

Mr. Chairman, if love and communication are the seeds of a good marriage, then open discussions are a good thing. It is this same principle that highlights the importance of the Regulatory Right-To-Know Act and why it must be approved. The more we know about the burdens of Federal regulations imposed on American families, the better our decisions will be.

This bill gives policymakers, lawmakers, regulators, and the public a valuable tool for evaluating the benefits and burdens that new regulations

impose. Either way, it provides an honest and open accounting of our votes.

This effort is bipartisan, and it is built on the principles of openness and accountability. The public has the right to know its government has considered every factor when it imposes new regulations on Americans. To do anything less would be irresponsible.

I urge all my colleagues to support the Regulatory Right-To-Know Act.

Mr. MCINTOSH. Mr. Chairman, I yield 1½ minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I would like to, rather than go into anecdotes, go into facts and talk about some of the arrangements that the gentleman from California (Mr. WAXMAN) has been talking about.

First, I would like to talk about the score of the bill. The Congressional Budget Office, the nonpartisan Congressional Budget Office, said that this would cost less than \$500,000 per year for this score of the bill. That is after they read the legislation, and I will get to that in 1 second.

But to put this in perspective, Federal agencies will spend an estimated \$17.9 billion per year to write and enforce regulations in fiscal year 1999. That is one-tenth of 1 percent of total spending on Federal regulatory programs.

Even if we assume for the sake of argument that the CBO's estimate is off by a factor of 10, H.R. 1074 would still cost less than 1 percent of total agency spending on regulations. It will not strain agencies' budgets.

But going on to the point that this would cause a cost-benefit analysis on rule by rule by rule, the bill specifically states that OMB is given the discretion to bundle rules into aggregate components, to take a look at component rule categories.

So this will not make OMB go down the road of doing 5,000 separate rule by rule cost-benefit analyses. This bill gives OMB the discretion to bundle rules in the aggregate by section, by related categories, and then conduct the aggregate cost-benefit analyses.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to this bill.

This piece of legislation would require the Office of Management and Budget (OMB) to report on the aggregate annual cost and benefit of regulations, regulatory programs, and program components. Unfortunately, bill would waste taxpayer dollars by compelling agencies to use their limited resources to annually analyze rules that are immaterial. The resulting information likely would not improve the efficiency, effectiveness, or soundness of the existing body of regulations.

The OMB traditionally has worked hard to annually report on the costs and benefits of approximately 50 major rules. This bill, as it stands, would require the OMB to report on the costs and benefits on over 5,000 rules issued each year. This would include thousands of administrative and routine rules that OMB currently does not review.

This bill also fails to disclose to the public the costs and benefits of billions of dollars of

corporate welfare doled out by the federal government to regulated corporations each year.

The burden imposed by this bill will fall on agencies and prevent them from using valuable funds for environmental and health programs. It will tie up agencies with new, unnecessary, bureaucratic red tape that will keep our agency workers writing reports instead of helping people.

Many citizen groups oppose this bill, because they see the danger in keeping our agencies overburdened with administrative requirements, rather than allowing them to make new rules, and enforce existing regulations. Some of the groups that oppose this bill include the Sierra Club, the League of Conservation Voters, the Defenders of Wildlife, the Environmental Defense Fund, the AFL-CIO, AFSCME, the United Steelworkers of America, the Consumers Union and the American Lung Association. Each of these diverse groups knows that administrative agencies are there to help them in their causes—saving the environment, protecting American workers' jobs, and preserving and improving our health—and do not want to see these agencies face additional hurdles when trying to fulfill their purpose.

These studies required under this bill are impractical and unworkable. Simply said, in many cases, agency workers will not be able to quantify, especially in a fiscal sense, what good a regulation can do. How can we put a price on preserving our beautiful national parks? How can we assess the benefit of clean air for our children? It is difficult to put monetary figures on these benefits, but they are ones that our taxpayers count on, and enjoy.

I ask all my colleagues to oppose this bill, avoid wasteful administrative costs, and keep our government focused on problem solving.

Mrs. TAUSCHER. Mr. Chairman, I rise in support of this measure, the Regulatory Right-to-Know Act of 1999, but to also express some concerns I have with the balance of this legislation. While I believe this bill is an important tool for the public to learn about the costs and benefits of federal regulations, I fear that it may prove extremely costly, in both time and resources, and could lead to delays in regulations designed to protect worker safety, human health, and the environment.

Everyone understands the impact of federal regulatory programs on our economy—they have helped Americans, with the help of American businesses and industry, to clean the air, protect wetlands, promote safe transportation, ensure healthy and abundant food supplies, improve workplace safety, and promote human health. However, each of these important steps forward comes with a cost. While many of those costs are justified, it is important that the federal government work closely with the public to develop regulations which can achieve these goals reasonably, quickly, and efficiently. H.R. 1074 may help empower Americans with new information to improve public participation and help regulators make better decisions.

For the past 2 years, I have been involved in a bi-partisan working group of Members of Congress to develop broad, consensus-based legislation in the area of environmental regulations. I remain committed to this because I believe all Americans share essentially the same goals. The environmentalists I know want to

ensure that our economy continues to grow and that Americans continue to prosper financially. And there's not a CEO I know who doesn't cherish the time spent in the great outdoors enjoying fresh air and clean water. In short, we all want clean neighborhoods, and we all want good jobs.

Broadening the information available to the public will improve this situation. Causing delay in formulating regulations will not. Americans must work together toward success. I believe the Regulatory Right-to-Know Act may help increase participation in our federal government's rule-making process. We in Congress, therefore, must commit to providing the necessary support to ensure that the Executive branch can continue its work effectively and efficiently. H.R. 1074 must not be an excuse to drain scarce agency resources or undermine the health and safety of Americans and our precious environment.

Mr. BEREUTER. Mr. Chairman, this Member rises today to express his support for H.R. 1074, the Regulatory Right-to-Know Act. This common sense legislation would require the Administration to submit to Congress a comprehensive annual accounting statement and report containing an estimate of the total annual costs and benefits of Federal regulatory programs.

The number of regulations issued by Federal agencies have greatly increased in recent times. These regulations can have huge financial repercussions on the private sector, state and local governments and the public with little or no oversight. This Member is pleased to be a cosponsor of H.R. 1074 which simply requires a reporting of the costs and benefits of regulations. For example, it is shocking to note that an estimate indicates that regulatory costs for 1999 will exceed \$700 billion (or \$7,000 for the average family)!

Mr. Chairman, in closing, this legislation will provide much needed accountability and will give the public access to information regarding the cumulative costs, benefits and impacts of Federal regulations. This Member urges his colleagues to support H.R. 1074.

Mr. PALLONE. Mr. Chairman, I urge my colleagues to oppose H.R. 1074 and support the Hoeffel-Kucinich amendment. H.R. 1074 would impose unduly burdensome analytical requirements and contain excessive provisions for consulting with State and local governments. The bill would waste huge sums of hard-earned consumers' income. The financial burden that would result would take scarce funds away from critical environmental protection and public health programs.

H.R. 1074 fails to include the costs and benefits of corporate welfare. One cannot determine the complete costs and benefits of regulations without also taking into account taxpayer-funded subsidies to the regulated corporations.

The administration opposes H.R. 1074, as do over 300 public interest organizations ranging from the AFL-CIO to the National Environmental Trust, United Auto Workers, U.S. PIRG, and the New Jersey environmental lobby in my home State. I can't remember the last time such a large and diverse range of interests united on an issue—imagine—the auto industry representatives and the environmentalists standing side by side!

The League of Conservation also is likely to score the vote on final passage as well as on the Hoeffel-Kucinich amendment.

I urge my colleagues to join me in supporting Hoeffel-Kucinich and opposing final passage.

Mr. CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment and is considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1074

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

*This Act may be cited as the "Regulatory Right-to-Know Act of 1999".*

**SEC. 2. PURPOSES.**

*The purposes of this Act are to—*

*(1) promote the public right-to-know about the costs and benefits of Federal regulatory programs and rules;*

*(2) increase Government accountability; and*

*(3) improve the quality of Federal regulatory programs and rules.*

**SEC. 3. DEFINITIONS.**

*In this Act:*

*(1) IN GENERAL.—Except as otherwise provided in this section, the definitions under section 551 of title 5, United States Code, shall apply to this Act.*

*(2) BENEFIT.—The term "benefit" means the reasonably identifiable significant favorable effects, quantifiable and nonquantifiable, including social, health, safety, environmental, and economic effects, that are expected to result from implementation of, or compliance with, a rule.*

*(3) COST.—The term "cost" means the reasonably identifiable significant adverse effects, quantifiable and nonquantifiable, including social, health, safety, environmental, and economic effects, that are expected to result from implementation of, or compliance with, a rule.*

*(4) DIRECTOR.—The term "Director" means the Director of the Office of Management and Budget.*

*(5) MAJOR RULE.—The term "major rule" has the meaning that term has under section 804(2) of title 5, United States Code.*

*(6) NONMAJOR RULE.—The term "nonmajor rule" means any rule, as that term is defined in section 804(3) of title 5, United States Code, other than a major rule.*

*(7) PAPERWORK.—The term "paperwork" has the meaning given the term "collection of information" under section 3502 of title 44, United States Code.*

*(8) PROGRAM COMPONENT.—The term "program component" means a set of related rules.*

**SEC. 4. ACCOUNTING STATEMENT.**

*(a) IN GENERAL.—Not later than February 5, 2001, and on the first Monday in February of each year thereafter, the President, acting through the Director of the Office of Management and Budget, shall prepare and submit to the Congress an accounting statement and associated report containing an estimate of the total annual costs and benefits of Federal regulatory programs, including rules and paperwork—*

*(1) in the aggregate;*

*(2) by agency, agency program, and program component; and*

*(3) by major rule.*

*(b) ADDITIONAL INFORMATION.—In addition to the information required under subsection (a), the President shall include in each accounting statement under subsection (a) the following information:*

*(1) An analysis of impacts of Federal rules and paperwork on Federal, State, local, and tribal government, the private sector, small business, wages, consumer prices, and economic*

growth, as well as on public health, public safety, the environment, consumer protection, equal opportunity, and other public policy goals.

(2) An identification and analysis of overlaps, duplications, and potential inconsistencies among Federal regulatory programs.

(3) Recommendations to reform inefficient or ineffective regulatory programs or program components, including recommendations for addressing market failures that are not adequately addressed by existing regulatory programs or program components.

(c) **NET BENEFITS AND COSTS.**—To the extent feasible, the Director shall, in estimates contained in any submission under subsection (a), quantify the net benefits or net costs of—

(1) each program component covered by the submission;

(2) each major rule covered by the submission; and

(3) each option for which costs and benefits were included in any regulatory impact analysis issued for any major rule covered by the submission.

(d) **SUMMARY OF REGULATORY ACTIVITY.**—The Director shall include in each submission under subsection (a) a table stating the number of major rules and the number of nonmajor rules issued by each agency in the preceding fiscal year.

(e) **YEARS COVERED BY ACCOUNTING STATEMENT.**—Each accounting statement submitted under this section shall, at a minimum—

(1) cover expected costs and benefits for the fiscal year for which the statement is submitted and each of the 4 fiscal years following that fiscal year;

(2) cover previously expected costs and benefits for each of the 2 fiscal years preceding the fiscal year for which the statement is submitted, or the most recent revision of such costs and benefits; and

(3) with respect to each major rule, include the estimates of costs and benefits for each of the fiscal years referred to in paragraphs (1) and (2) that were included in the regulatory impact analysis that was prepared for the major rule.

(f) **DELAYED APPLICATION OF CERTAIN REQUIREMENTS.**—

(1) **APPLICATION AFTER FIRST STATEMENT.**—The following requirements shall not apply to the first accounting statement submitted under this section:

(A) The requirement under subsection (a)(2) to include estimates with respect to program components.

(B) The requirement under subsection (b)(2).  
(2) **APPLICATION AFTER SECOND STATEMENT.**—The requirement under subsection (b)(1) to include analyses of impacts on wages, consumer prices, and economic growth shall not apply to the first and second accounting statements submitted under this section.

#### **SEC. 5. NOTICE AND COMMENT.**

(a) **IN GENERAL.**—Before submitting an accounting statement and the associated report to Congress under section 4, and before preparing final guidelines under section 6, the Director of the Office of Management and Budget shall—

(1) provide public notice and an opportunity of at least 60 days for submission of comments on the statement and report or guidelines, respectively; and

(2) consult with the Director of the Congressional Budget Office on the statement and report or guidelines, respectively.

(b) **APPENDIX.**—After consideration of the comments, the Director shall include an appendix to the report or guidelines, respectively, addressing the public comments and peer review comments under section 7.

(c) **AVAILABILITY OF PEER REVIEW COMMENTS.**—To ensure openness, the Director shall make all final peer review comments available in their entirety to the public.

#### **SEC. 6. GUIDELINES FROM THE OFFICE OF MANAGEMENT AND BUDGET.**

(a) **IN GENERAL.**—Not later than 270 days after the date of enactment of this Act, the Di-

rector of the Office of Management and Budget, in consultation with the Council of Economic Advisers, shall issue guidelines to agencies to standardize—

(1) most plausible measures of costs and benefits;

(2) the means of gathering information used to prepare accounting statements under this Act, including information required for impact analyses required under section 4(b)(1); and

(3) the format of information provided for accounting statements, including summary tables.

(b) **REVIEW.**—The Director shall review submissions from the agencies to ensure consistency with the guidelines under this section.

#### **SEC. 7. PEER REVIEW.**

(a) **IN GENERAL.**—The Director of the Office of Management and Budget shall arrange for 2 or more persons that have nationally recognized expertise in regulatory analysis and regulatory accounting and that are independent of and external to the Government, to provide peer review of each accounting statement and associated report under section 4 and the guidelines under section 6 before the statement, report, or guidelines are final.

(b) **WRITTEN COMMENTS.**—The peer review under this section shall provide written comments to the Director in a timely manner. The Director shall use the peer review comments in preparing the final statements, associated reports, and guidelines.

(c) **FACA.**—Peer review under this section shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

(d) **BALANCE AND INDEPENDENCE.**—The Director shall ensure that—

(1) the persons that provide peer review under subsection (a) are fairly balanced with respect to the points of view represented;

(2) no person that provides peer review under subsection (a) has a conflict of interest that is relevant to the functions to be performed in the review; and

(3) the comments provided by those persons—  
(A) are not inappropriately influenced by any special interest; and  
(B) are the result of independent judgment.

Mr. CHAIRMAN. No amendment to that amendment shall be in order except those printed in the portion of the CONGRESSIONAL RECORD designated for that purpose and pro forma amendments for the purpose of debate. Amendments printed in the RECORD may be offered only by the Member who caused it to be printed or his designee and shall be considered read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

Are there any amendments to the bill?

AMENDMENTS NO. 2, 3, AND 4 OFFERED BY MR. MCINTOSH

Mr. MCINTOSH. Mr. Chairman, I offer three amendments.

Mr. CHAIRMAN. The Clerk will designate the amendments.

The text of the amendments is as follows:

Amendments No. 2, 3, and 4 offered By Mr. MCINTOSH:

Page 4, line 17, strike "President" and insert "Director".

Page 7, beginning at line 5, strike "and economic growth" and insert "economic

growth, public health, public safety, the environment, consumer protection, equal opportunity, and other public policy goals".

At the end of the bill add the following:

#### **SEC. . SPECIAL RULES RELATING TO CERTAIN FEDERAL BANKING AGENCIES AND MONETARY POLICY.**

(a) **TRANSFER OF AUTHORITY AND DUTIES OF DIRECTOR.**—The head of each Federal banking agency (as that term is defined in section 3(z) of the Federal Deposit Insurance Act (12 U.S.C. 181(z)) and the National Credit Union Administration, and not the Director, shall exercise all authority and carry out all duties otherwise vested under this Act in the Director with respect to that agency, other than the authority and duty to submit accounting statements and reports under section 4(a). The head of each such agency shall submit to the Director all estimates and other information required by this Act to be included in such statements and reports with respect to that agency.

(b) **EXCLUSION OF MONETARY POLICY.**—No provision of this Act shall apply to any matter relating to monetary policy that is proposed or promulgated by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee.

Mr. MCINTOSH. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MCINTOSH. Mr. Chairman, let me describe these three technical amendments very briefly. We have discussed them with the gentleman from Ohio (Mr. KUCINICH) who unfortunately wanted to be here but was not able to be here when this bill was called up earlier today.

Amendment No. 2 strikes the word "President" and inserts the word "Director" which simply ensures the consistency in the use of terminology throughout the bill.

Amendment No. 3, inserting the words "public health, public safety, the environment, consumer protection, equal opportunity, and other public policy goals," delays the effective date for some of the impact analyses which OMB is required to prepare under the bill. This amendment is being offered jointly by the gentleman from Ohio (Mr. KUCINICH) and me or was to be offered jointly by us.

Amendment No. 4 responds to the concerns of the gentleman from Iowa (Chairman LEACH) and the Federal Reserve Board. The amendment's two provisions ensure that H.R. 1074 cannot mistakenly be construed as impinging on the independence of the Fed, or as interfering in any way with monetary policy set by the Open Market Committee.

I would submit that these amendments will perfect the bill and do not change any of the substance or policy of the bill.

As I understand it, the gentleman from Ohio (Mr. KUCINICH) has agreed to these, and there should not be any controversy to them.

Mr. WAXMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise simply to say that we have reviewed these amendments. The gentleman from Ohio (Mr.

KUCINICH), as the Ranking Democrat on the subcommittee, and our staff has looked them over, and we would support the en bloc amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Indiana (Mr. MCINTOSH).

The amendments were agreed to.

AMENDMENT NO. 1 OFFERED BY MR. HOEFFEL

Mr. HOEFFEL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. HOEFFEL:

At the end of the bill add the following:

**SEC. . INFORMATION REGARDING OFFSETTING SUBSIDIES.**

In addition to the information required under section 4, the President shall include in each accounting statement under that section an analysis of the extent to which the costs imposed on incorporated entities by Federal regulatory programs are offset by subsidies given to those entities by the Federal Government, including subsidies in the form of grants, preferential loans, preferential tax treatment, federally funded research, or use of Federal facilities, assets, or public lands at less than market value. The analysis shall—

- (1) identify such subsidies;
- (2) analyze the costs and benefits of such subsidies; and
- (3) be sufficiently specific to—
  - (A) account for the amounts of subsidies provided to the entities; and
  - (B) identify the entities that receive such subsidies.

**SEC. . TAXPAYER PROTECTIONS.**

(a) LIMITATION ON EXPENDITURES.—

(1) IN GENERAL.—The aggregate amount expended by the Director and agencies each fiscal year to carry out this Act may not exceed \$1,000,000.

(3) LIMITATION ON APPLICATION.—Paragraph (1) shall not apply to any expenditure for any analysis or data generation that is required under any other law, regulation, or Executive Order and used to fulfill the requirements of this Act.

(b) SUNSET.—This Act shall have no force or effect after the expiration of the four-year-period beginning on the date of the enactment of this Act.

Mr. HOEFFEL. Mr. Chairman, my amendment is designed to add to the Right-To-Know legislation in front of us a requirement that the Office of Management and Budget do a cost-benefit analysis of the corporate welfare benefits received by American companies when they do the cost-benefit analysis required by the bill on regulations written by the Federal Government.

The purpose for my amendment is to make sure that, when we give the public this information that the bill wants them to have, when we provide this right to know, not only to Congress, but to the American people, that we give them the full picture. The bill itself, as written, would not do that.

The proponents of the bill, I am sure in good faith, point out that the cost of Federal regulations is, in their estimation, high, and they want the public to know that. I understand that desire. But if we are going to go through this annual exercise of asking the Office of

Management and Budget to conduct such a study of the impact of regulations on American businesses, let us make sure we know all the facts. We should have nothing to hide, Mr. Chairman.

If these businesses that are allegedly burdened with Federal regulations receive a Federal benefit through a tax advantage, a subsidy, a preference, let us have that on the table as well. If we want to find out the costs and benefit of Federal actions, let us include all these Federal actions, not just regulations, but the corporate welfare subsidies as well.

This amendment, the Hoeffel-Kucinich amendment is very much based upon the hard work done by the gentleman from Ohio (Mr. KUCINICH). As a member of the committee, I want to compliment him for his work.

I want to compliment the gentleman from California (Mr. WAXMAN), the ranking member, for his work. I look forward to the debate here, to work with the distinguished members of the majority, to come to a legislative decision here that gives the public what we all want the public to have, the full picture.

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My amendment would, first, include the cost of corporate welfare in the cost-benefit analysis that we are asking to be completed by the Office of Management and Budget. Secondly, the Hoeffel-Kucinich amendment would make sure that the cost of this annual study would be capped at \$1 million.

Now, the CBO has estimated the cost of the underlying bill to be less than \$500,000 a year. So we have doubled that to put a cap of \$1 million on the combined study to determine the cost of regulation and the cost of corporate welfare. That seems to me to be a rational but prudent cap to make sure that we do not have a cost overrun or a runaway study here that would cost more than any potential benefit to the public.

And, thirdly, my amendment would make sure that this entire bill will not become a perpetual drain on the Federal budget if it proves to be not as useful as the proponents hope by putting a 4-year sunset provision in the bill. If this bill is successful, we can always lift that sunset and keep these studies going on an annual basis, as long as we feel they are useful. But if these studies are not useful, then the 4-year sunset provision in my amendment would protect the taxpayers and make sure that this does not become a perpetual drain.

Mr. Chairman, we have defined corporate welfare as spending subsidies, tax preferences, below-market rate use of Federal assets, such as land for grazing or timbering or mining. These corporate welfare benefits have been estimated by Time Magazine to equal \$125 billion a year. Every year, \$125 billion, the equivalent, according to Time, of the paycheck for 2 weeks of every

working American man and woman. That is a very high cost. And we would like to see what the benefit of that is, and we would like to have this \$125 billion of estimated Federal benefit included in this study of Federal cost-benefit analysis.

Some who oppose this amendment say that it is designed to kill the bill. It is not. It is designed to make this bill whole, to make sure that we get the full picture. Without this amendment, the underlying bill does not give a full and complete picture of the impact of the Federal Government on American businesses and does not give a full picture of the benefit and cost of regulations or of corporate welfare.

Mr. MCINTOSH. Mr. Chairman, I rise in opposition to the amendment.

Let me say in response to the statement of the gentleman from Pennsylvania (Mr. HOEFFEL), about the Hoeffel-Kucinich-Waxman amendment, a couple of different points that I think are important for us to keep in mind.

First of all, the way the amendment is worded, "burdens imposed on incorporated entities," it will sweep up into that group entities that I am not sure the gentleman had in mind when he was drafting the amendment but, nonetheless, would be included in the definition of incorporated entities. To the extent that public interest groups or not-for-profit groups are incorporated, they would also have the same analysis done on the benefits and subsidies that they receive in various Federal programs and would be required to disclose the amounts of those as a result of this report.

More fundamentally, this amendment is not related to the fundamental purpose of the bill in the sense that it opens up the entire bit of legislation to determine what type of benefits different entities in our society receive from government programs, specifically those that are incorporated in one of our various States. It is not limited to the offset on the amount of various regulations but is broad ranging.

And since every entity is affected by some legislation, it would essentially be a laundry list of all of that, subsidies as well as the effect on each of those individual players. That truly will bust the budget, if it is actually ever included in law and enacted, and, ultimately, does a great deal of damage to the core purpose of this bill by bogging it down in a direction that was not intended and, frankly, not beneficial in determining what are the impacts of Federal regulations on the private sector.

Now, I would have to say that the issue of corporate welfare is a longstanding and controversial issue which should be thoroughly debated by this House, but not in the context of a bill which we brought forward from this committee that is focusing on the regulatory burden since it goes much more, quite frankly, into spending and tax subsidies than it does to the regulatory impacts on those entities.

I would say that this Hoeffel-Waxman amendment ultimately ends up not being workable as an accounting amendment because it requires the government to do that by individual corporate entity. None of the analysis that we require currently in the bill is required by individual entity. It is, in its most detailed form, by individual rule, which has a broad application to many similar entities, but, in general, is in the aggregate of cross or different regulations and breaking down by business sectors and different functions.

So this would add a level of detail that, frankly, I am not sure anybody could come and say to us would in fact ever be workable if it were to be required.

Finally, the second part of the Waxman-Hoeffel amendment, the cap on a million dollar spending in order to require expensive new data collection and analysis are somewhat incompatible. This, I think, ends up being an amendment that is designed primarily to cripple the legislation, a gutting amendment, that would take away from the primary purpose of it; and I would urge my colleagues to vote "no."

Mr. KUCINICH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Hoeffel-Kucinich-Visclosky amendment, and this is called the Taxpayer Protection and Corporate Welfare Disclosure Amendment to H.R. 1074. Now, this amendment would protect the American taxpayer and streamline government by disclosing the cost and benefits of corporate welfare and placing common sense limits on the cost of this legislation to \$1 million a year. It would also sunset the reporting requirements after 4 years, thus assuring that we do not continue to require this if it is not achieving its goals.

H.R. 1074 ignores the fact that each year the Federal Government provides billions of dollars in corporate welfare to regulated businesses. In fact, the conservative Cato Institute recently estimated that corporations receive over \$75 billion annually from the Federal Government. Time Magazine puts this total at \$125 billion. This amendment would require corporate welfare to be disclosed to the American public so that they can have a complete accounting of the costs and benefits imposed by the Federal Government.

For example, as currently worded, H.R. 1074 would require OMB to report on the cost to industry of clean air regulations promulgated under the Clean Air Act, but it would not include any of the \$2 billion in Federal subsidies allocated to the coal industries through the Clean Coal Technology Program, which assists private companies in developing technologies which helps them comply with these regulations.

This amendment, on which I am pleased to have had the participation of the gentleman from Pennsylvania (Mr. HOEFFEL), who has shown real leadership on this issue of challenging corporate welfare, this amendment

would not only ensure that the public gets a more complete understanding of the actual cost of Federal regulations, it would also help the American public decide whether such subsidies to large profitable corporations are worthwhile.

As Ralph Nader recently testified at the House Committee on the Budget hearing, "There is only one change that will counteract the entrenched interest which create, shield, and rationalize corporate welfare programs: an informed and mobilized citizenry."

The amendment would also protect taxpayers by limiting the funds that could be spent on these analyses. The Congressional Budget Office estimates that implementing H.R. 1074 would cost less than \$500,000 a year. According to the letter, this estimate "assumes that the statement submitted under H.R. 1074 would be similar to those previously submitted by OMB, which have relied on existing information, such as the agency's analysis of new rules to estimate the aggregate costs and benefits of Federal regulations."

Similar information also exists on corporate welfare, so we believe that doubling the estimate should provide plenty of funds for OMB to produce this report on both the costs and benefits of regulations and the costs of benefits of corporate welfare.

Finally, this amendment would sunset the bill after a reasonable time so Congress can evaluate if it makes sense to continue these analyses.

Mr. Chairman, this is a common sense amendment. It provides the American taxpayers with additional information about the costs and benefits of regulatory programs. It prevents us from spending unlimited amounts of money analyzing minor and non-controversial regulations and does this without limiting cost-benefit analyses that are already required under other laws and executive orders.

It is an amendment that I would hope all budget conscious Members of Congress would support. Furthermore, I think that as this issue comes up in the future, we should be able to see a growing bipartisan support for measures which challenge corporate welfare. At a time when the American people are struggling to make ends meet, when many households are worried about Social Security, are worried about Medicare, we certainly should make sure that those who have the most benefits in this society also have to disclose to the American public just how much money is getting to them.

So I have been pleased to work with the gentleman from Indiana (Mr. MCINTOSH) and the gentleman from Wisconsin (Mr. RYAN) on the other side of the aisle in trying to craft the overall bill, though I am sorry we do not agree on the details; but I think this is one amendment that I hope we can find a way to come to some concurrence on.

Mr. MCINTOSH. Mr. Chairman, will the gentleman yield?

Mr. KUCINICH. I yield to the gentleman from Indiana.

Mr. MCINTOSH. Mr. Chairman, in drafting the amendment, does the gentleman know whether the gentleman from Pennsylvania (Mr. HOEFFEL) or any of the other Members have considered the impact of identifying the individual corporation in terms of some of the protections of privacy under the Internal Revenue Code? Right now we have a fairly elaborate system in place where an individual taxpayer's information is not revealed when government analyzes different tax information.

Mr. KUCINICH. Mr. Chairman, reclaiming my time, if somebody is getting billions of dollars in subsidies from the Federal taxpayers, I personally do not believe they should be entitled to any commitment of privacy. The American people want to know where their money is going. However, I respect the import of the gentleman's question.

Mr. RYAN of Wisconsin. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to address a couple of the points that the gentleman mentioned and also just mention that I would like to speak in favor of the Kucinich-Waxman-Hoeffel amendment. However, I am unable to speak in favor of this amendment because the two policies contained in this amendment, although in and of themselves are good policies, fine policies, but put together in one amendment they are actually self-defeating.

What I mean when I say that is this amendment is a contradiction because it will increase the cost of the study and then it will cap it. I understand that the gentleman has not certified whether the CBO has scored the cost of a new corporate welfare study, but not knowing the cost of a new corporate welfare study and then throwing on top a million dollar cap is self-defeating.

The amendment provides a convenient excuse for OMB to refuse to perform the analysis due to costs. Even if a study would normally not go over \$1 million, as OMB has said, absent a corporate welfare study, the increased requirement of a corporate welfare analysis would provide an even stronger incentive for OMB to argue that it is impossible to remain within these caps.

Mr. Chairman, one additional point that I think is very worthwhile noting, as I was just reading the gentleman's amendment, and I would like to mention that I would love to work with the gentleman from Ohio, the gentleman from California, and the gentleman from Pennsylvania on ridding corporate welfare from the Federal Government because I, too, believe we should not be subsidizing these types of business arrangements; but in reading the definitions contained in the amendment, it says "incorporated entities." Well, incorporated entities could mean hundreds of thousands of small businesses, such as lawyers, doctors, dentists, and even municipalities.

So I think the way the amendment is drafted it is drafted in such a way that

it will give us precisely what the gentleman from California feared, and that was requiring OMB to do so many analyses that it will prevent them from doing their other priority work. It will require OMB to go down not just to the big corporate giants that are getting the advanced technology grants and the other corporate welfare grants that we, as a team, want to get rid of, but going to the dentists, going to the municipalities, going to the doctors.

The definition of incorporated entities is too vague, which gives OMB a chance to say this will cost too much, this will exceed \$1 million. So by combining the laudatory goal of going after corporate welfare with the \$1 million cap, the gentleman is essentially killing the bill.

□ 1630

They are essentially rendering this bill absolutely unworkable by saying OMB will not be able to do this, it is going to cost too much and, therefore, will have no cost-benefit analysis at all.

If the gentleman would be willing to work on a separate piece of legislation going after the issue of corporate welfare aside from this legislation, I think we could get a wonderful bipartisan team together and really advance this bill and clean up the definition of "incorporated entities."

If that would be the case, I think we would have a winner here. But, sadly, this amendment is nothing short of killing the bill. A vote for this amendment is a vote against the Right-to-Know Act. It is a vote against cost-benefit analysis.

So I urge a "no" vote on this and a "yes" vote on final passage.

Mr. HOEFFEL. Mr. Chairman, will the gentleman yield?

Mr. RYAN of Wisconsin. I yield to the gentleman from Pennsylvania.

Mr. HOEFFEL. Mr. Chairman, let me first say that the information we are seeking is surely in the computers of every agency that exists in the Federal Government.

We are really asking OMB to collect information, not to create an entirely new procedure here. So the cost of the corporate welfare study is surely within half a million dollars.

Mr. RYAN of Wisconsin. Mr. Chairman, reclaiming my time, I ask the gentleman from Pennsylvania (Mr. HOEFFEL) what is the definition of "incorporated entity" and has he taken into consideration that incorporated entities could very well mean a dentist's office, a doctor's office, a municipality, a law firm, something like that?

Mr. HOEFFEL. Mr. Chairman, if the gentleman would continue to yield, an incorporated entity is just that, entities incorporated under Federal law.

The reality is that no matter who is included in that, again, the benefits, the tax breaks, the special subsidies, if they are going to an incorporated entity, that information is available to the Federal Government.

We have never asked anyone to collect it before. That is what this amendment would do. I tell the gentleman that I do have a corporate welfare commission bill that I hope he will cosponsor with me.

Mr. RYAN of Wisconsin. Mr. Chairman, reclaiming my time, the problem that I see with this bill is that incorporated entities and requiring the OMB to study incorporated entities could go down the road of going in to seeing whether anything the Federal Government does benefits something as small as a doctor's office or a dentist's office could be considered corporate welfare.

We all know that the intent of this is to allow us to be better empowered to stop big, multimillion-dollar grants to very large corporations. But it is my fear that this amendment is not written that way.

On top of it, we do not know how much this is going to cost. And I know the gentleman is concerned about costs.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. RYAN) has expired.

(By unanimous consent, Mr. RYAN was allowed to proceed for 3 additional minutes.)

Mr. RYAN of Wisconsin. Mr. Chairman, I yield to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, let me explore with the gentleman that point that he raised.

The gentleman thinks that the cost burden of preparing the analysis on corporate welfare would exceed the million-dollar total amount that we would limit for this whole exercise of the evaluations.

Now, we have a CBO estimate on the amount of the analysis cost for the regulatory side, and they say it is \$500,000.

Mr. RYAN of Wisconsin. Mr. Chairman, reclaiming my time, a figure that the gentleman disputes.

Mr. WAXMAN. I do dispute it. But suppose we said, for that side of the ledger, we will go to a million dollars and then we would say for the analysis on the corporate welfare side we will not put a limit on it. Would that bring the gentleman to the point of supporting this amendment?

Mr. RYAN of Wisconsin. Mr. Chairman, if the gentleman were to remove the cap altogether, I personally would not have a problem. I would have to refer to my colleague, the chairman of the subcommittee.

But if the million-dollar cap were removed, I think that would go quite a ways farther in ensuring something like this. But I do think the definition "incorporated entities" does have to be cleaned up.

Mr. MCINTOSH. Mr. Chairman, will the gentleman yield?

Mr. RYAN of Wisconsin. I yield to the gentleman from Indiana.

Mr. MCINTOSH. Mr. Chairman, on exactly that point, I think the amendment, frankly it needs to have hearings if we are going to think about it as serious legislation.

I heard the gentleman from Pennsylvania (Mr. HOEFFEL) say he thought incorporated entities were those incorporated under Federal law. I have a suspicion he meant also under State law. Because there is only a handful of corporations incorporated under Federal law, whereas the vast bulk of private-sector corporate entities are incorporated under State laws.

That is a question we will have to explore and answer. And to identify each of those entities that receives a subsidy has some very important privacy concerns.

So I would be reluctant to concede that we could change the cost side and not address those serious problems on the first part of this amendment.

Mr. RYAN of Wisconsin. Mr. Chairman, reclaiming my time, I think what we have here is the basis for a working relationship for another vehicle to do some hearings in our committee to work on this issue together.

But at this time, with an amendment that is written in a very sketchy way that has so many open-ended definitions that does cap the ability of OMB to do this where this corporate welfare analysis is not scored by CBO, so we just do not have enough knowledge to know whether this falls within the cap or outside the cap. I think it is unworkable at this time.

I would like to add that this amendment is key voted as a "no" vote by the Chamber of Commerce and the National Association of Manufacturers.

I think though, however, we have something we can work with. Hopefully, we can work together after passage of the final passage. I hope we defeat this amendment. But I would like to urge my colleagues that maybe we could get a relationship and work together on this in the committee. We have to tighten up the definition and do something that is good for our country.

Mr. WAXMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, first of all, I strongly support this amendment. The amendment has been offered by the gentleman from Pennsylvania (Mr. HOEFFEL), the gentleman from Ohio (Mr. KUCINICH), and the gentleman from Indiana (Mr. VISCLOSKY). It is called the Taxpayer Protection and Corporate Welfare Disclosure amendment.

I am honored that the gentleman from Indiana (Mr. MCINTOSH) would call it the Waxman amendment, but it is not officially the Waxman amendment. I have not offered it. But I support it.

This amendment does two important things. First, it protects taxpayers. As written, this bill would require OMB to prepare a cost-benefit analysis of every regulation no matter how small or ministerial.

This makes no sense. We do not need analysis for the sake of analysis. We should target our analysis to those major or controversial rules that are in genuine dispute.

My concern is that the cost is going to run out of control. That is why this amendment would place a cap on the amount of taxpayer funds that can be spent on that analysis of \$1 million, which is twice what CBO says should be spent on this bill.

Now, it is interesting how the other side has done a quick pivot. They said, oh, this bill is not going to cost much money. It is only \$500,000, and it is well worth it. But then when we have challenged that figure and said, all right, we will accept double the amount of CBO, but we think it is going to cost more, let us at least be sure that we limit it, they come around and say, oh, no, no, no. We cannot limit it because it may cost more.

Well, one of my colleagues said, what is good for the goose is good for the gander. Either it is going to cost \$500,000 or under a million or it is going to cost more. And if it is going to cost more, I think it is going to be wasteful.

I tried to pursue a minute ago with the gentleman from Wisconsin (Mr. RYAN) the idea that maybe we put the cap of a million dollars simply on the regulatory analysis and not on the corporate welfare side. But then the response was back that he did not want any cap at all.

Well, I want a cap for one reason. I want to protect the taxpayers from having their money wasted on analysis for no purpose.

This amendment is important to do now in this bill. We were told, let us work out another piece of legislation. Let us develop a relationship. We will talk about it in committee. We will talk about it after the bill passes.

Well, the leadership of our committee, which is controlled by the gentleman from Indiana (Mr. BURTON) and the gentleman from Indiana (Mr. MCINTOSH), have not given us a hearing on this. Mr. MCINTOSH said, oh, we cannot do this. We have not had a hearing. They are not willing to call a hearing on this idea of corporate welfare. We have had no hearings on the issue.

We were told when we had the mandates bill, we said, well, if you are going to mandate and require a separate vote in the House before there is a mandate, let us do that when it comes to protection of the environment. We were told, well, that is something that should be in another piece of legislation.

This amendment belongs in this bill. It would add balance to the bill. The bill as written requires analysis of the costs of Federal programs to regulated entities. The amendment would require OMB to also look at the benefits of Federal programs to corporations through various types of what we would call corporate welfare.

Each year the Federal Government gives out billions in subsidies to successful businesses in the form of preferential tax treatment, subsidized loans, grants, and the use of Federal land, assets and facilities at below-market costs.

Many might think that a Congress that has worked so hard to take people off welfare might also try to force successful corporations off welfare as well. But just the opposite is true.

Let us understand what is going on here. Last week this House, on a partisan vote, passed H.R. 2488. I consider it an irresponsible tax bill that does nothing to ensure the long-term solvency of Medicare and Social Security.

What it does do is disproportionately provide its tax benefits to the wealthy, to corporations, to businesses, not to ordinary people who pay taxes.

This tax bill was passed largely on party lines. It contains almost a hundred billion dollars in new direct tax breaks to businesses.

Now, many might want to keep this information secret about these tax breaks. But I think the public has a right to know who we are giving our money to.

The Congressional Research Service has determined that there is not a comprehensive list of subsidized industries. We do not know where all the Federal tax breaks are going to businesses. We do not know where all the grants and the other indirect subsidies are going.

The CHAIRMAN. The time of the gentleman from California (Mr. WAXMAN) has expired.

(By unanimous consent, Mr. WAXMAN was allowed to proceed for 2 additional minutes.)

Mr. WAXMAN. Mr. Chairman, we know if the Hoeffel-Kucinich-Visclosky amendment were adopted it would cure this problem by requiring each year the Office of Management and Budget to identify Federal subsidies and disclose the costs and benefits of these subsidies.

Mr. Chairman, if the intent of this bill is to provide more information to the American people about the relationship between regulated entities and the Federal Government, this amendment will very much help accomplish that goal. There is no reason the American people should not be informed about how their tax dollars are being used to subsidize corporations.

I have heard this argument, what if the person or entity getting a subsidy is an individual business, therefore, you are going to presumably invade their privacy or make it too difficult to understand where the money by way of corporate subsidies actually goes?

Well, that is a sham. These corporate entities can be stated in the aggregate. They are topics. It is not a doctor's office. It is how much doctors get. It is not a subsidy to one corporation. It can be corporations in a particular enterprise. And in that way we will know how much of a benefit is being placed on these corporations when we ask them to clean up the environment and protect public health, when we ask them to come in and make sure their drugs are safe and effective and to get approved by the FDA.

We also ought to know, on the other hand, whether we give them subsidies

that help them deal with that burden, as we do so often to corporations that take advantage of special tax breaks and special grants and special preferential treatments in the use of Federal assets.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. HOEFFEL).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. MCINTOSH. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 258, further proceedings on the amendment offered by the gentleman from Pennsylvania (Mr. HOEFFEL) will be postponed.

Mr. MCINTOSH. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. RYAN of Wisconsin) having assumed the chair, Mr. LAHOOD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1074) to provide Governmentwide accounting of regulatory costs and benefits, and for other purposes, had come to no resolution thereon.

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#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 6 p.m.

Accordingly (at 4 o'clock and 45 minutes p.m.), the House stood in recess until approximately 6 p.m.

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□ 1801

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. RYAN of Wisconsin) at 6 o'clock and 1 minute p.m.

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#### 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 further consideration of the bill, H.R. 1074.

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 further 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. When the Committee of the Whole House rose earlier today, a demand for a recorded vote on amendment No. 1 printed in the CONGRESSIONAL RECORD by the gentleman