



April 25, 2012

The Honorable Darrell Issa, Chairman
House of Representatives Committee on Oversight and Government Reform
Washington, DC 20515

The Honorable Elijah E. Cummings, Ranking Member
House of Representatives Committee on Oversight and Government Reform
Washington, DC 20515

Dear Chairman Issa and Ranking Member Cummings:

The Coalition for Sensible Safeguards urges your committee to strongly oppose "The Regulatory Freeze for Jobs Act of 2012" (H.R. 4078) and "The Midnight Rule Relief Act of 2012." These extremely harmful pieces of legislation are the latest in a series of bills designed to mislead the public into believing that our country's system of health and safety protections is connected to slower job growth. This deceptive rhetoric ignores the real cause of the financial crash and the ensuing Great Recession: a lack of sound financial standards and clear rules of the road. If the implosion in the financial sector was not enough proof of the inability of large corporate interests to regulate themselves, countless other examples exist, including numerous food and consumer product recalls and the disastrous 2008 toxic coal ash spill in Tennessee.

H.R. 4078 assumes that the economy won't grow without some kind of "freeze" on regulations. This is clearly wrong. The economy is improving. Unemployment claims have fallen for the sixth straight month and are now at a four-year low.¹ Retail sales figures are rising, and the Dow Jones index is at its highest level in almost four years.² The economic recovery is far from complete, but this legislation is not the answer. Rather, this bill is a fake solution in search of a problem.

Instead of undermining the standards and rules that ensure everyone in our economy plays by the same rules, we need to make sure we enact commonsense reforms that ensure another financial catastrophe can't happen. We need to break up the banks that are still "too big to fail" and curtail their speculative behavior – reforms that are working their way through our regulatory system. H.R 4078 would stop these reforms dead by placing a moratorium on new rules and on all agency activity leading to those new rules.

The overly broad scope and impact of this legislation would also halt new standards to protect workplace safety, the environment, food safety and consumer product safety. Even reforms requested

¹ <http://www.usatoday.com/money/economy/story/2012-02-23/weekly-unemployment-claims-february-23/53217036/1>

² http://www.huffingtonpost.com/2012/02/21/dow-jones-industrial-average-financial-crisis_n_1290986.html

and welcomed by industry, such as new fuel efficiency standards, would be stopped by this legislation. Government agencies would be unable to respond to emerging crises, such as *Salmonella*-tainted eggs or spinach contaminated with *E. coli*. Cass Sunstein, President Obama's top regulatory official, reacted strongly against the idea of a regulatory moratorium in a recent hearing, stating, "[A] moratorium would not be a scalpel or a machete, it would be more like a nuclear bomb, in the sense that it would prevent regulations that, let's say, cost very little, and have very significant economic or public health benefits."³

The Committee will also consider "The Midnight Rule Relief Act of 2012," a bill to put a freeze on new regulatory standards once a president is a lame duck. This bill obfuscates the existing roles of Congress, federal agencies, and the president in the rulemaking process. Agencies develop standards that implement existing laws – originally passed by Congress – related to clean air, clean water, food safety, worker safety, and a host of other issues. At any given time, there are many rules that have been under development for months, if not years, because completing the more than 110 analytical and procedural steps⁴ in the rulemaking process takes time. These rules shouldn't be blocked simply because their publication date happens to fall at the end of a president's term. If a lame-duck president does finalize rules during this period, the new administration has the power to withdraw or amend those rules it doesn't approve of. This bill is an inappropriate congressional attempt to override the authority of the president and ignore existing administrative procedures. It is yet another attempt to undermine needed standards and safeguards.

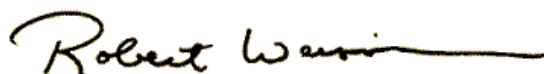
The current regulatory process is already replete with hurdles and lengthy delays. Three pieces of legislation, H.R. 527, The Regulatory Flexibility Improvements Act, H.R. 3010, The Regulatory Accountability Act, and H.R. 10, The Regulations in Need of Scrutiny Act, already passed by the House, would, if enacted, make the situation even worse. The clear effect of these bills would be regulatory paralysis, and H.R. 4078 and the Midnight Rule Relief Act would exacerbate the problem and put the safety and well-being of the American people at risk.

For these reasons, we strongly urge members of this committee to oppose both H.R. 4078 and "The Midnight Rule Relief Act of 2012."

Sincerely,



Katherine McFate, President and CEO, OMB Watch
Co-chair, Coalition for Sensible Safeguards



Robert Weissman, President, Public Citizen
Co-chair, Coalition for Sensible Safeguards

The Coalition for Sensible Safeguards is an alliance of consumer, labor, scientific, research, good government, faith, community, health, environmental, and public interest groups, as well as concerned individuals, joined in the belief that our country's system of regulatory safeguards provides a stable framework that secures our quality of life and paves the way for a sound economy that benefits us all.

³ <https://www.politicopro.com/go/?id=5848>

⁴ <http://www.law.fsu.edu/journal/lawreview/downloads/272/Seid.pdf>