

January 24, 2012

President Barack Obama  
The White House  
1600 Pennsylvania Ave., NW  
Washington, DC 20500

Dear President Obama:

On behalf of the Coalition for Sensible Safeguards, we are writing to express our dismay at the rhetoric and policy proposals found in the *Roadmap to Renewal* report issued by the President's Council on Jobs and Competitiveness on January 16th. The Coalition for Sensible Safeguards is an alliance of consumer, small business, 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 secures our quality of life and creates the foundation for an economy that works for everyone.

The language in the executive summary of the report reinforces the damaging and false rhetoric that regulations are "burdens" that, if removed, would spur job growth. In fact, we know that you understand that standards and safeguards are not holding back job growth. Indeed, regulations are needed for financial stability, and certain standards can spur innovation and encourage the creation of jobs for the future. We are concerned that the Jobs Council's report conflicts with the efforts of your administration to defend our regulatory system against attack. We applauded the Statements of Administration Policy on H.R. 10, the REINS Act; H.R. 527, the Regulatory Flexibility Improvements Act; and H.R. 3010, the Regulatory Accountability Act and your recent speeches defending health and safety regulations.

While the chapter on Regulatory Reform calls for so-called "regulatory balance," the Council's recommendations actually focus heavily on advancing the interests of regulated industries. For instance, the council calls for more public outreach by regulatory agencies but then only outlines ways agencies can reach out to regulated industries to capture more complaints about "outdated" or "burdensome" regulations. Given that research shows industry lobbyists and representatives already meet with regulatory officials at a much higher rate than public interest groups, it is hard to understand why industry groups need a special ombudsman. The report offers no suggestions about how to reach out to the public or public interest advocates.

In fact, the Jobs Council discouraged input from and participation by nonprofit organizations and everyday Americans during the deliberations that led up to this report. This occurred despite the fact that the council is a federal advisory panel that is supposed to be transparent and accessible to the press, public interest organizations, and the people of the United States when it meets and formulates recommendations that could guide future policy.

Throughout the regulatory section of the report, the council repeats several questionable special interest claims and talking points about the interaction between public protections, the economy, and job creation, many of which undergird bills you have publicly opposed. Recommendations that

require additional procedural hurdles for regulations with an economic impact of more than \$1 billion, or that push for more cost-benefit analysis, and assessments of cumulative costs of rules are not constructive. Many benefits simply cannot be monetized. Economists agree that assessing the cumulative costs of rules is methodologically unworkable and that the heavy guesswork necessarily involved would render any estimate largely meaningless. The main mission of our agencies is to protect the public – from foodborne illnesses, pollution, toxic chemicals, transportation-related accidents, and terrorism, among other hazards – and new hurdles take precious resources from enforcement activities.

The recommendation to expand the size and role of the Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA) is also unhelpful. Federal agencies, not OIRA, have the statutory responsibility to develop and implement regulations. Over the years, the mandate on these agencies to conduct more analysis and to carry out multiple layers of review has grown exponentially – without additional resources being allocated to meet those requirements. After 30 years of adding more and more steps and requirements to the rulemaking process, the current system has a built-in bias that favors industry. The executive branch needs to undertake a full assessment of existing processes and recommend ways to improve and streamline the process so that it serves the interests of the American people, to identify the resources (both funding and staffing) that are needed to support an effective system of regulation, and to ensure that agencies are able to fulfill their missions.

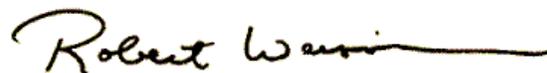
The council acknowledges that the U.S. regulatory system has "been a model for the world" and is "essential to a well-functioning market economy." But the report goes on to suggest that the administration and Congress should work to harmonize our standards with those of our trading partners. We are worried that this "slippery slope" could result in a lowering of our health, safety, and environmental standards. Access to U.S. markets is still a much prized privilege, and we should use it to encourage our trading partners to raise their health, labor, and environmental standards, not look for ways to lower ours. Moreover, American exporters tell us that "made in America" gives them a competitive advantage in some markets because buyers understand our products are safe – thanks to our regulatory system.

Moving forward, we hope that the White House and the Jobs Council will focus on constructive, effective ways to encourage and create high-quality jobs that can jumpstart our economic engine: investing in education and infrastructure improvements; bringing the nation's energy policy into the 21<sup>st</sup> century; and supporting sustainable, responsible industry sectors. Strong standards and a sturdy regulatory structure actually advance this vision – your vision – of economic development, and we stand ready to support it.

Sincerely,



Katherine McFate  
President, OMB Watch  
Co-Chair, Coalition for Sensible Safeguards



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