



Representative James Comer
Chairman, House Oversight Committee
2157 Rayburn House Office Building
Washington, DC 20515

Representative Jamie Raskin
Ranking Member, House Oversight Committee
2157 Rayburn House Office Building
Washington, DC 20515

April 10, 2024

Dear Chairman Comer and Ranking Member Raskin:

The Coalition for Sensible Safeguards (CSS), an alliance of over 180 labor, scientific, research, good government, faith, community, health, environmental, and public interest organizations that represents millions of Americans and advocates for effective regulations to protect the public, strongly opposes the Renewing Efficiency in Government by Budgeting Act, H.R. 7867.

The purpose of this bill is to institute a radical and extreme “regulatory budget” that would put consumers, workers, and the environment at unacceptable risk of harm and prove unworkable in practice.

At the outset, we wish to highlight that over the last five decades, the U.S. regulatory system has achieved remarkable success in establishing safeguards that protect people and the environment from unreasonable risks. Compared to the 1970s, our cars are safer, our workplaces freer of unacceptable hazards, our environment less polluted, and our bank accounts better protected against fraud by unscrupulous financial institutions. At the same time, our economy has continued to grow, and technological progress has continued unabated. In short, the modern regulatory system has been one of the great public investments in our nation’s history.

The bill would significantly limit this success, effectively shutting down what is now one of the most important institutions in our democratic system of governance. This is all the more alarming because despite this considerable progress, more work remains. Long-recognized harms, such as lead in drinking water or dangerous levels of silica dust in workplaces, still have not been fully addressed through existing regulatory programs.

Moreover, capping “additional unfunded regulatory costs” will not limit the introduction of new threats to the public welfare. Our federal agencies are just now starting to grapple with the hazards posed by PFAS, artificial intelligence, and cryptocurrency. The bill’s budgeting scheme risks defeating meaningful regulatory action to address these kinds of new and emerging hazards. In some cases, agencies may be forced to resort to “pay-go” regulatory actions – that is, eliminating existing safeguards to permit new regulations consistent with tight regulatory budget caps – just to fulfill their basic statutory missions. For instance, the Environmental Protection Agency may be forced to relax or eliminate standards for toxic air pollution before it can better protect drinking water from PFAS contamination. In other words, this bill would make limiting

costs for corporations, not maximizing benefits to the public and working families, the dispositive factor in agencies' regulatory or deregulatory decision-making.

This problematic bill is also inconsistent with sound economic theory. Most economists would support a regulation that yields greater benefits than costs – that, in other words, would make society better off than it would be in the absence of such regulations. Further, the absence of a regulation to protect those who need it produces enormous costs. As long as an agency has no ability to regulate under its regulatory cap, though, it could not pursue such actions.

We know from experience that regulatory budgeting schemes like the one contemplated in the Renewing Efficiency in Government by Budgeting Act are rife with implementation problems. With the regulatory budgeting scheme established by Executive Order 13771, agencies struggled to accurately measure the costs of new regulatory actions and the cost reductions that would come through new deregulatory actions. These failures made it impossible to assess whether agencies were actually abiding by their regulatory caps.

Agencies resorted to either "making the numbers work" or ending the issuance of new rules entirely. Instead of making the regulatory system function better, as its supporters claimed, both the process and outcomes for the American people were worse off. It appears this was the real goal of Executive Order 13771 all along, and we expect similar problems will plague implementation of the bill.

Finally, effective implementation of the bill will be further undermined by its unclear language. For instance, the bill does not clearly specify how Congress is supposed to approve annual regulatory budgets established by the Director of the Office of Management and Budget. The process it lays out for agencies to obtain an exception for issuing a rule that is inconsistent with existing regulatory caps is similarly unclear.

CSS urges the House Oversight Committee to oppose H.R. 7867 and instead encourages the Committee to evaluate proposals that offer real and meaningful reforms to strengthen the regulatory process, such as H.R. 1507, the Stop Corporate Capture Act. We look forward to assisting the Committee in ensuring our regulatory process is working effectively and efficiently to protect the American public.

We strongly urge you to oppose the Renewing Efficiency in Government by Budgeting Act.

Sincerely,



Rachel Weintraub
Executive Director
Coalition for Sensible Safeguards

Cc: Members of the House Oversight Committee