

Representative James Comer Chairman, House Oversight Committee 2157 Rayburn House Office Building Washington, DC 20515 Representative Gerald Connolly Ranking Member, House Oversight Committee 2157 Rayburn House Office Building Washington, DC 20515

May 20, 2025

Dear Chairman Comer and Ranking Member Connolly:

The <u>Coalition for Sensible Safeguards</u> (CSS), an alliance of over 200 labor, scientific, research, good government, faith, community, health, environmental, and public interest organizations that represent millions of Americans and advocate for effective regulations to protect the public, strongly opposes H.R. 580, the Unfunded Mandates Accountability and Transparency Act of 2025 (UMATA), which will be considered by the committee this week.

If passed, UMATA would significantly delay rulemakings and rob the American people of many critical upgrades to public health and safety standards, including important rules that ensure clean air and water, safe food and consumer products, safe workplaces, and a stable, prosperous economy. In significantly overhauling the Unfunded Mandates Reform Act (UMRA), the bill would transform this law from its original goal of promoting federalism values to instead refocus it on providing regulatory relief to powerful corporate interests.

One way that UMATA would accomplish this shift is by codifying onerous regulatory analysis and cost-benefit analysis requirements for all major rules. This requirement would replace UMRA's original focus on establishing analytical requirements aimed at reducing unfunded mandates to state and local governments. Instead, the focus of the analyses would be on reducing regulatory costs more broadly, with a particular focus on reducing compliance burdens for corporate interests.

As part of this shift, UMATA would drastically expand the factors that agencies must account for in their analyses of rules. Most notably, agencies would have to account for so-called "indirect costs" as part of these analyses – a mandate that could be stretched on indefinitely and without end. While conducting these analyses would be a burdensome and resource-intensive undertaking for agencies, they would do nothing to improve the quality of agency decision-making.

More to the point, UMATA is premised on the false notion that agencies are not properly accounting for regulatory costs and appropriately balancing them against regulatory benefits.

This, however, ignores the fact that the Office of Management and Budget (OMB) has consistently found that the benefits of regulations overwhelmingly outweigh their costs. The most recent OMB <u>report</u> covering fiscal year 2023 found that the benefits of regulation outweighed costs by as much as \$49.0 billion to \$9.6 billion.

Another way UMATA fundamentally shifts UMRA is by dramatically expanding its stakeholder input requirements to include corporate special interests. Again, this distracts from UMRA's purpose of promoting federalism values to transform the law into an all-purpose anti-regulatory weapon that corporate special interests can wield. In particular, this provision would give these corporations an upper hand in defeating rules they oppose by providing them with early access to details about the rule's substance and underlying analysis and the opportunity to provide feedback on those issues before the general public has had a chance to see them. Tilting the regulatory process further in favor of regulated entities in this fashion would undermine the general transparency goals of administrative law and dilute the value of public participation by non-industry stakeholders.

In what is no doubt its most radical and far-reaching provision, UMATA would impose a costbenefit analysis super-mandate that effectively amends nearly every regulatory statute on the books. Specifically, this provision requires agencies to consider a range of regulatory alternatives and to select the one that "maximizes net benefits." The existing UMRA contains a similar requirement – which this provision amends – but notably provides an exemption for when compliance would be "inconsistent with law."

UMATA contains no such limitation. Its effort to limit the requirement to "taking into consideration only the costs and benefits that arise within the scope of the statutory provision that authorizes the rulemaking" does not erase its impact as a super-mandate, either. This language ignores – either through negligence or willfulness – how statutory authorizing provisions direct agency decision-makers to compare or balance the advantages and disadvantages when choosing the appropriate regulatory alternative permitted by law.

Significantly, UMATA would not provide agencies with the necessary resources to fulfill the new analytical and procedural requirements it seeks to establish. Yet, UMATA would amend UMRA's judicial review provisions to empower corporate special interests to challenge any alleged failures to fulfill these requirements and seek a court order requiring compliance. Under threat of such court orders, agencies will waste their scarce resources on fulfilling these requirements in excessive detail. This in turn will prevent them from effectively and efficiently carrying out their statutory mandates of protecting the public interest.

In addition to these burdensome analytical requirements, UMATA would unnecessarily delay rules covered by these requirements by establishing what amounts to a 90-day moratorium before an agency can proceed with issuing a notice of proposed rulemaking. Under the provision, the agency must create an electronic docket for each new rule. The agency must then wait at least 90 days after the docket has been created before it can issue a notice of proposed rulemaking. In many cases, this step might make sense to enhance public input and the quality of decision-making. But agencies are in a far better position to make this determination, rather than have it mandated as a one-size-fits-all requirement.

Another dangerous aspect of the UMATA is that it would undermine the institutional design of independent agencies in various ways. First, it would seek to subject them to greater interference by the White House Office of Information and Regulatory Affairs (OIRA). Specifically, it would empower OIRA to ensure that independent agencies comply with UMATA's onerous new requirements, which would provide it with a powerful avenue for interfering with their decision-making authority. UMATA would also seek to formally subject independent agencies to the requirements of the Congressional Budget Act of 1974.

Instead of making the regulatory process less efficient and effective in protecting the public while allowing corporate special interests to further dominate the process, CSS strongly encourages the House Oversight Committee to conduct robust oversight of the dangerous and potentially unlawful anti-regulatory policy actions issued by the Trump administration. The administration has directed agencies to roll back regulatory protections without giving the public any notice or chance to comment on such rollbacks prior to being finalized.¹ Not only is this in flagrant violation of the Administrative Procedure Act (APA), but it also defies basic transparency and public participation requirements. The administration has also directed agencies to refuse to enforce the law when corporations and other regulated entities violate regulatory protections.² It is deeply ironic that the Oversight Committee is seeking to add more procedural requirements to the regulatory process when the Trump administration has stated that it will refuse to comply with the regulatory process as it currently stands.

CSS urges the House Oversight Committee to oppose the Unfunded Mandates Accountability and Transparency Act and encourages the Committee to evaluate proposals that offer real and meaningful reforms to strengthen the regulatory process, such as <u>the Stop Corporate Capture Act</u>.

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 H.R. 580.

Sincerely,

Rachel Wintraub

Rachel Weintraub Executive Director Coalition for Sensible Safeguards

CC: Members of the House Oversight Committee

¹ https://www.whitehouse.gov/presidential-actions/2025/04/directing-the-repeal-of-unlawful-regulations/

 $^{^2\} https://www.whitehouse.gov/presidential-actions/2025/02/ensuring-lawful-governance-and-implementing-the-presidents-department-of-government-efficiency-regulatory-initiative/$