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Obama's regulatory chief announces reforms at 30 agencies

By Charles S. Clark | cclark@govexec.com | May 26, 2011

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Fleshing out agency responses to President Obama's push to rethink regulations, Office of Information and Regulatory Administrator Cass Sunstein on Thursday announced alterations to long-standing rules under way at 30 federal agencies that together, he said, could save billions in dollars and millions of staff hours.

In his summary of agency progress 120 days after Obama's Jan. 18 [executive order](#), Sunstein said current paperwork reduction efforts at the Transportation and Labor departments and the [Environmental Protection Agency](#) alone could save \$1 billion and tens of millions of work hours for state and local governments. He spoke at a talk titled A Regulatory Look-Back: A First Look at the American Enterprise Institute, his former employer, and he published a related op-ed on "21st-Century Regulation" in the May 26 *Wall Street Journal*.

The Obama [initiative](#), Sunstein said, is "a corrective to national debate on regulation that has become polarized and stylized in a way not helpful. One side," he said, "defends reductions in deaths on the highway, fighting fraud and abuse, keeping air and water clean and our food safe. But more recently, the other side says such regulations impair competitiveness, undermine innovation and ultimately cost jobs.

"They are legitimate arguments, but we can't be solving serious problems in the abstract. The polarized debate is stuck in the past."

A modern regulatory approach, he said, cannot rely on "anecdotes or intuition," but instead must move toward "real-world random testing" of the benefits and harms of regulations. This requires "a change in culture in Washington to focus constantly on what is and what is not working," he said. In the future, "agencies must hard-wire such scrutiny into agency processes."

Today's professional regulators "know much more than they knew during the New Deal and the Great Society," or even during the 1980s and 1990s, he added. "Now we have state-of-the-art technology for cataloging the impact, risks and costs of regulations.

Sometimes in reducing one risk, you increase another and there are ancillary harms," he said. "But there are also ancillary benefits, and lives are saved." What is desirable, he said, is "free choice, which both provides liberty and costs less." Simpler regulations and public disclosure "help produce informed choices and creative approaches," Sunstein said.

Sunstein made a bid to bridge the partisan divide. "It's true that people's values differ, but when the evidence is clear, it will lead in a direction even if there is an intensive difference in values. If a regulation

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brings big costs and little benefit, then citizens are unlikely to like it regardless of whether they are elephants or donkeys," he said.

Examples of agencies' current work include 70 initiatives at Transportation, 50 reforms at the Health and Human Resources Department, and 12 short-term high-priority projects at [EPA](#). The [Treasury Department](#) has a five-year paperless initiative that will save 12 million pounds of paper and \$400 million, Sunstein said.

EPA recently decided that that classifying milk as an oil -- and thus requiring precautions to prevent oil spills -- was an unjustifiable burden on dairy farmers, and so the resulting easing of rules will save industry \$1 billion in the next decade. Similarly, EPA determined that gas stations no longer need air pollution recovery systems because modern vehicles do the job, saving upwards of \$60 million annually, he said. And the Occupational Safety and Health Administration, he said, will save millions of dollars by eliminating 1.9 million annual hours of redundant employer reporting.

"Many of the [reforms] focus on the small businesses that create jobs," Sunstein said. "And some are a fundamental rethinking of how things have been done."

He is also determined to rid the Code of Federal Regulations of references to countries that "no longer exist."

Laying out four principles, Sunstein said modern regulations should encourage public participation through ready access to scientific and technical information; should be harmonized and simplified to boost innovation; should use quantification to catalog costs and benefits; and emphasize freedom of choice, which "promotes compliance."

In response to a questioner, Sunstein acknowledged that some of the recent changes were expansions of regulations rather than eliminations.

The National Association of Manufacturers, which has long been critical of Obama's approach to regulation, reacted to Sunstein's announcement with a statement: "Manufacturers are encouraged by the Obama administration's efforts to streamline or remove several outdated and unnecessary regulations to allow manufacturers to focus on what matters most -- creating jobs and economic growth. However, manufacturing workers will not fully benefit until the crushing burden of proposed new regulations is brought under control.

"The administration has taken several positive steps recently," the group said, mentioning EPA's effort on industrial boilers and OSHA's work on noise standards as indicators that the administration has heard the concerns of manufacturers. "But new burdensome regulations such as those proposed by EPA to regulate greenhouse gas emissions and change ozone standards are a real threat to job creators and the economy. While today's announcement is a great step, more must be done to limit the cumulative burden of regulations on businesses."

Matt Madia, regulatory policy analyst for OMB Watch, a monitoring nonprofit, had a wait-and-see response. "There's nothing wrong with doing a review," he said, "but we should not lose sight of the fact that these regulations were written for a reason -- to protect the environment, human health and the economy."

Sunstein said there currently are 120 rules under review at the [Office of Management and Budget](#) and that the look back has not caused any noticeable slowdown.

The agency actions released today are for public comment, and should be finalized in "roughly 80 days," he said.

Sunstein called his initiative "a defining moment" that will have impact decades in the future. He quoted Alexander Hamilton's first Federalist paper, in which the Founding Father asked whether the country would be guided by "reflection and choice or be forever destined to depend on accident and force."

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So the man occupying an unconstitutional office as a "czar," not appointed and not approved by the Senate, who is arguably the most dangerous man of all of Obama's socialists, thugs, and hoodlums, claims that he is REDUCING regulations and HELPING small businesses, while, at the same time, helping create regulatory burdens that will turn America into a USSR on steroids? Wow. Is this an example of Orwell's double speak or what?

TLR | Posted May 31, 2011 | 8:33 AM

Smoke and mirrors, smoke and mirrors...

chris kroenung | Posted May 28, 2011 | 8:23 AM

He wrote we cannot trust anecdotal or intuition in the process. Well sir you are wrong. Einstein trusted "intuition" over organization. And Anecdotal is the lifeline to correcting science, poetry and syntax. Far to much syntax in re-regulations we have lost sight of the vision or mission. Say if a "contractor" says and gets paid by DVA/DoD to end homeless vets..and they do not work on weekends? Well as ee. cummings wrote, "anyone to worried about syntax will never wholly kiss you." Just focus your energy on the centric-interagency contractors, if they gave their word to do their part, and you can show they did not...the poets use a word..annul. Every decision must have a wellbeing cascade built into it be it economic PTSD as well as human stresses needs relaxed services today. The anti-syntax movement is a physics-energy based on realities experienced as one perception meets one other in the journey to the truths. As one "anecdote" states. vr jpw.

James (Jim) P. White | Posted May 27, 2011 | 3:10 PM

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