

ONE HUNDRED TWELFTH CONGRESS
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Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
“The Views of the Administration on Regulatory Reform: An Update”
Subcommittee on Oversight and Investigations
June 3, 2011

Today, the Subcommittee returns to the subject of the executive order on regulatory reform issued in January by President Obama. The implementation of this order is overseen by the Office of Information and Regulatory Affairs, also known as OIRA, and we are fortunate to have OIRA Administrator Cass Sunstein with us today. He will be able to tell us about the Administration’s regulatory review activities that have occurred since the Subcommittee took testimony from him in January.

The stated focus of this hearing is to learn more about the agency plans for regulatory reform that the White House released last week for public review and comment. These plans and other steps the Administration is taking to review regulations certainly merit congressional oversight.

But if we are going to have an honest discussion about the costs of regulations, we need to consider all of the relevant facts. We should examine costs and reduce them wherever possible. But we also need to give equal consideration to benefits.

Yesterday, we were supposed to mark up a bill called the TRAIN Act, which calls for an analysis of the cumulative impacts of EPA regulations. The markup was postponed, but the bill illustrates what’s wrong with how we have been approaching regulatory reform in this Committee.

The TRAIN Act focuses nearly exclusively on economic costs. It mandates analyses of the impacts of the regulations on jobs, electricity costs, manufacturing, and trade. But it ignores the dangers of unchecked pollution on health, the environment, and global climate change.

This one-sided approach is the antithesis of what we should be doing. We should be looking at both sides of the equation – costs and benefits – and maximizing the benefits while minimizing the costs.

A good case in point is the Clean Air Act, which along with health care has become the Republicans’ favorite *bête noire*. We have considered proposal after proposal to weaken the Clean Air Act on the theory that reducing pollution is a job killer.

We shouldn't have to pick between jobs and clean air. That's a false choice.

When this Committee wrote the Clean Air Act Amendments of 1990, we heard horror stories about how the law would impose ruinous costs on industry. None of them turned out to be true.

Ranking Member Rush and I asked EPA to do a balanced analysis of both the costs and benefits of the Clean Air Act. The results show that the law has been a stunning success. EPA found that implementing the Clean Air Act "creates American jobs and bolsters the global competitiveness of American industry, even as it lowers healthcare costs and protects American families from birth defects, illnesses, and premature death."

The health benefits of the Act are legion. In one year, the Clean Air Act prevented 18 million child respiratory illnesses, 850,000 asthma attacks, 674,000 cases of chronic bronchitis, and 205,000 premature deaths. The health benefits are projected to reach \$2 trillion by 2020.

And the implementation of the Act also creates American jobs. The environmental technology industry now generates \$300 billion in annual revenues and supports 1.7 million jobs.

I've seen the value of regulation over and over again during my career. Following the collapse of the financial markets in 2008, the economy entered the deepest recession since the Great Depression and millions of Americans lost their jobs. The cause of the financial crisis was not regulation; it was the absence of regulation. Our hearings last year showed that the Deepwater Horizon oil spill, which created widespread economic dislocation, was caused by too little oversight and regulation – not too much.

That is why it so important that we put aside the partisan anti-regulation rhetoric and look dispassionately at both costs and benefits. Unnecessary regulations should be identified and eliminated, and I am pleased that President Obama has made this a priority. But as this review continues, we must remember that sound regulations are vital in protecting our nation's economy and well-being.