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Opening Statement

Rep. Elijah Cummings
Ranking Minority Member

**Subcommittee on Technology, Information Policy,
Intergovernmental Relations and Procurement Reform**

Hearing on “Unfunded Mandates, Regulatory Burdens, and the Role of OIRA”

May 25, 2011

Thank you, Chairman Lankford and Ranking Member Connolly.

This is the third hearing this Subcommittee has held on the Unfunded Mandates Reform Act. Having heard from state, local, and tribal officials at previous hearings, I am grateful that Mr. Sunstein is here today to provide us with the Administration’s perspective on this important issue.

The original purpose of UMRA, which was passed in 1995, was “to make Congress more accountable when imposing new Federal mandates” on state, local, and tribal governments. As a former member of the Maryland House of Delegates, I am sensitive to the budgetary pressures facing state and local governments. It is important for Congress and agencies to carefully evaluate and balance the potential impact before imposing new requirements on small governments.

However, this is also the fourth hearing in which this Subcommittee has stressed only the burdens imposed by regulations. There is a common assumption in the titles and the focus of these hearings – that regulations are burdensome and hinder economic recovery. Yet, we know that regulations are necessary to protect the health, welfare, and safety of the American public. As Mr. Sunstein has often stated, we also know that some regulations create jobs.

As I have said in the past, I fully support a comprehensive review of regulations to ensure that they are effective and efficient. But a review cannot be one-sided, and it is important that we base any review on facts rather than rhetoric.

Here are the facts. In 2011, the Office of Information and regulatory Affairs estimates that the annual benefits of major Federal regulations issued between 2000 and 2010 are between

\$136 billion and \$651 billion. In contrast, the estimated annual costs are between \$44 billion and \$62 billion.

In other words, the economic benefits of regulations are up to ten times the costs. This conclusion is not limited to the Obama Administration. In 2008, the Bush Administration estimated that the annual benefits of regulations issued between 1997 and 2007 ranged from \$122 billion to \$656 billion, while the estimated annual costs range from \$46 billion to \$54 billion. According to both the Obama and Bush Administrations, the benefits of these regulations greatly outweigh the costs.

In the context of UMRA, the reality is that state and local governments are often the direct beneficiaries of federal regulation. We must ensure that industry addresses the costs they impose on society, in the form of pollution, defective or deceptive products, and unsafe workplaces. This can and does save local governments from significant expenses they otherwise would have to bear themselves to protect the health and well-being of their citizens.

Administrator Sunstein, I look forward today to hearing more about your office's role in the regulatory process, its role in ensuring that Federal agencies are conducting a balanced review of existing regulations under Executive Order 13563, and your efforts to improve cost-benefit analyses.

Finally, Mr. Chairman, I hope we can take a fair and balanced view of regulations, and that we can all work together to identify ways to help create jobs and support the work of state and local governments, while making sure that Americans are able to live and work in safe and healthy communities.

With that, I thank you for calling today's hearing and yield back the balance of my time.