

106<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 1074**

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**AN ACT**

To provide Governmentwide accounting of regulatory costs and benefits, and for other purposes.

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1ST SESSION

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## AN ACT

To provide Governmentwide accounting of regulatory costs  
and benefits, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Regulatory Right-to-  
3 Know Act of 1999”.

4 **SEC. 2. PURPOSES.**

5 The purposes of this Act are to—

6 (1) promote the public right-to-know about the  
7 costs and benefits of Federal regulatory programs  
8 and rules;

9 (2) increase Government accountability; and

10 (3) improve the quality of Federal regulatory  
11 programs and rules.

12 **SEC. 3. DEFINITIONS.**

13 In this Act:

14 (1) **IN GENERAL.**—Except as otherwise pro-  
15 vided in this section, the definitions under section  
16 551 of title 5, United States Code, shall apply to  
17 this Act.

18 (2) **BENEFIT.**—The term “benefit” means the  
19 reasonably identifiable significant favorable effects,  
20 quantifiable and nonquantifiable, including social,  
21 health, safety, environmental, and economic effects,  
22 that are expected to result from implementation of,  
23 or compliance with, a rule.

24 (3) **COST.**—The term “cost” means the reason-  
25 ably identifiable significant adverse effects, quantifi-  
26 able and nonquantifiable, including social, health,

1 safety, environmental, and economic effects, that are  
2 expected to result from implementation of, or com-  
3 pliance with, a rule.

4 (4) DIRECTOR.—The term “Director” means  
5 the Director of the Office of Management and Budg-  
6 et.

7 (5) MAJOR RULE.—The term “major rule” has  
8 the meaning that term has under section 804(2) of  
9 title 5, United States Code.

10 (6) NONMAJOR RULE.—The term “nonmajor  
11 rule” means any rule, as that term is defined in sec-  
12 tion 804(3) of title 5, United States Code, other  
13 than a major rule.

14 (7) PAPERWORK.—The term “paperwork” has  
15 the meaning given the term “collection of informa-  
16 tion” under section 3502 of title 44, United States  
17 Code.

18 (8) PROGRAM COMPONENT.—The term “pro-  
19 gram component” means a set of related rules.

20 **SEC. 4. ACCOUNTING STATEMENT.**

21 (a) IN GENERAL.—Not later than February 5, 2001,  
22 and on the first Monday in February of each year there-  
23 after, the President, acting through the Director of the  
24 Office of Management and Budget, shall prepare and sub-  
25 mit to the Congress an accounting statement and associ-

1 ated report containing an estimate of the total annual  
2 costs and benefits of Federal regulatory programs, includ-  
3 ing rules and paperwork—

4 (1) in the aggregate;

5 (2) by agency, agency program, and program  
6 component; and

7 (3) by major rule.

8 (b) ADDITIONAL INFORMATION.—In addition to the  
9 information required under subsection (a), the Director  
10 shall include in each accounting statement under sub-  
11 section (a) the following information:

12 (1) An analysis of impacts of Federal rules and  
13 paperwork on Federal, State, local, and tribal gov-  
14 ernment, the private sector, small business, wages,  
15 consumer prices, economic growth as well as on pub-  
16 lic health, public safety, the environment, consumer  
17 protection, equal opportunity, and other public policy  
18 goals.

19 (2) An identification and analysis of overlaps,  
20 duplications, and potential inconsistencies among  
21 Federal regulatory programs.

22 (3) Recommendations to reform inefficient or  
23 ineffective regulatory programs or program compo-  
24 nents, including recommendations for addressing  
25 market failures that are not adequately addressed by

1 existing regulatory programs or program compo-  
2 nents.

3 (c) NET BENEFITS AND COSTS.—To the extent fea-  
4 sible, the Director shall, in estimates contained in any sub-  
5 mission under subsection (a), quantify the net benefits or  
6 net costs of—

7 (1) each program component covered by the  
8 submission;

9 (2) each major rule covered by the submission;  
10 and

11 (3) each option for which costs and benefits  
12 were included in any regulatory impact analysis  
13 issued for any major rule covered by the submission.

14 (d) SUMMARY OF REGULATORY ACTIVITY.—The Di-  
15 rector shall include in each submission under subsection  
16 (a) a table stating the number of major rules and the  
17 number of nonmajor rules issued by each agency in the  
18 preceding fiscal year.

19 (e) YEARS COVERED BY ACCOUNTING STATE-  
20 MENT.—Each accounting statement submitted under this  
21 section shall, at a minimum—

22 (1) cover expected costs and benefits for the fis-  
23 cal year for which the statement is submitted and  
24 each of the 4 fiscal years following that fiscal year;

1           (2) cover previously expected costs and benefits  
2 for each of the 2 fiscal years preceding the fiscal  
3 year for which the statement is submitted, or the  
4 most recent revision of such costs and benefits; and

5           (3) with respect to each major rule, include the  
6 estimates of costs and benefits for each of the fiscal  
7 years referred to in paragraphs (1) and (2) that  
8 were included in the regulatory impact analysis that  
9 was prepared for the major rule.

10       (f) DELAYED APPLICATION OF CERTAIN REQUIRE-  
11 MENTS.—

12           (1) APPLICATION AFTER FIRST STATEMENT.—

13       The following requirements shall not apply to the  
14 first accounting statement submitted under this sec-  
15 tion:

16           (A) The requirement under subsection  
17 (a)(2) to include estimates with respect to pro-  
18 gram components.

19           (B) The requirement under subsection  
20 (b)(2).

21       (2) APPLICATION AFTER SECOND STATE-  
22 MENT.—The requirement under subsection (b)(1) to  
23 include analyses of impacts on wages, consumer  
24 prices, economic growth, public health, public safety,  
25 the environment, consumer protection, equal oppor-

1 tunity, and other public policy goals shall not apply  
2 to the first and second accounting statements sub-  
3 mitted under this section.

4 **SEC. 5. NOTICE AND COMMENT.**

5 (a) IN GENERAL.—Before submitting an accounting  
6 statement and the associated report to Congress under  
7 section 4, and before preparing final guidelines under sec-  
8 tion 6, the Director of the Office of Management and  
9 Budget shall—

10 (1) provide public notice and an opportunity of  
11 at least 60 days for submission of comments on the  
12 statement and report or guidelines, respectively; and

13 (2) consult with the Director of the Congres-  
14 sional Budget Office on the statement and report or  
15 guidelines, respectively.

16 (b) APPENDIX.—After consideration of the com-  
17 ments, the Director shall include an appendix to the report  
18 or guidelines, respectively, addressing the public comments  
19 and peer review comments under section 7.

20 (c) AVAILABILITY OF PEER REVIEW COMMENTS.—  
21 To ensure openness, the Director shall make all final peer  
22 review comments available in their entirety to the public.



1 **SEC. 6. GUIDELINES FROM THE OFFICE OF MANAGEMENT**  
2 **AND BUDGET.**

3 (a) IN GENERAL.—Not later than 270 days after the  
4 date of enactment of this Act, the Director of the Office  
5 of Management and Budget, in consultation with the  
6 Council of Economic Advisers, shall issue guidelines to  
7 agencies to standardize—

8 (1) most plausible measures of costs and bene-  
9 fits;

10 (2) the means of gathering information used to  
11 prepare accounting statements under this Act, in-  
12 cluding information required for impact analyses re-  
13 quired under section 4(b)(1); and

14 (3) the format of information provided for ac-  
15 counting statements, including summary tables.

16 (b) REVIEW.—The Director shall review submissions  
17 from the agencies to ensure consistency with the guide-  
18 lines under this section.

19 **SEC. 7. PEER REVIEW.**

20 (a) IN GENERAL.—The Director of the Office of  
21 Management and Budget shall arrange for two or more  
22 persons that have nationally recognized expertise in regu-  
23 latory analysis and regulatory accounting and that are  
24 independent of and external to the Government, to provide  
25 peer review of each accounting statement and associated

1 report under section 4 and the guidelines under section  
2 6 before the statement, report, or guidelines are final.

3 (b) WRITTEN COMMENTS.—The peer review under  
4 this section shall provide written comments to the Director  
5 in a timely manner. The Director shall use the peer review  
6 comments in preparing the final statements, associated re-  
7 ports, and guidelines.

8 (c) FACA.—Peer review under this section shall not  
9 be subject to the Federal Advisory Committee Act (5  
10 U.S.C. App.).

11 (d) BALANCE AND INDEPENDENCE.—The Director  
12 shall ensure that—

13 (1) the persons that provide peer review under  
14 subsection (a) are fairly balanced with respect to the  
15 points of view represented;

16 (2) no person that provides peer review under  
17 subsection (a) has a conflict of interest that is rel-  
18 evant to the functions to be performed in the review;  
19 and

20 (3) the comments provided by those persons—

21 (A) are not inappropriately influenced by  
22 any special interest; and

23 (B) are the result of independent judg-  
24 ment.

1 **SEC. 8. SPECIAL RULES RELATING TO CERTAIN FEDERAL**  
2 **BANKING AGENCIES AND MONETARY POLICY.**

3 (a) **TRANSFER OF AUTHORITY AND DUTIES OF DI-**  
4 **RECTOR.**—The head of each Federal banking agency (as  
5 that term is defined in section 3(z) of the Federal Deposit  
6 Insurance Act (12 U.S.C. 1813(z)) and the National Cred-  
7 it Union Administration, and not the Director, shall exer-  
8 cise all authority and carry out all duties otherwise vested  
9 under this Act in the Director with respect to that agency,  
10 other than the authority and duty to submit accounting  
11 statements and reports under section 4(a). The head of  
12 each such agency shall submit to the Director all estimates  
13 and other information required by this Act to be included  
14 in such statements and reports with respect to that agen-  
15 cy.

16 (b) **EXCLUSION OF MONETARY POLICY.**—No provi-  
17 sion of this Act shall apply to any matter relating to mone-  
18 tary policy that is proposed or promulgated by the Board  
19 of Governors of the Federal Reserve System or the Fed-  
20 eral Open Market Committee.

Passed the House of Representatives July 26, 1999.

Attest:

*Clerk.*