

Union Calendar No. 93

106TH CONGRESS
1ST SESSION

H. R. 1074

[Report No. 106-168]

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1999

Mr. BLILEY (for himself, Mr. MCINTOSH, Mr. CONDIT, Mr. STENHOLM, Mr. SHUSTER, Mr. PICKETT, Mr. GOODE, Mr. HALL of Texas, Mr. JOHN, Mr. TURNER, Mr. ENGLISH, Mr. GOODLATTE, Mr. ARMEY, Mr. DELAY, Mr. CRAMER, Mr. GILLMOR, Mr. OXLEY, Mr. LARGENT, Mr. ARCHER, Mr. MANZULLO, Mr. SANDLIN, Mr. WATTS of Oklahoma, Mr. GEKAS, Mr. BARCIA, Mr. BISHOP, Mr. BOYD, Mr. CLEMENT, Mr. FORD, Mr. SHOWS, Mr. TANNER, and Mr. TRAFICANT) introduced the following bill; which was referred to the Committee on Government Reform

JUNE 7, 1999

Additional sponsors: Mr. TAUZIN, Mr. UPTON, Mr. TERRY, Mr. TALENT, Mr. ROYCE, Mr. BARR of Georgia, Mr. GARY MILLER of California, Mr. STUMP, Mr. WELDON of Florida, Mr. TIAHRT, Mr. RYAN of Wisconsin, Mr. BEREUTER, Mrs. CHENOWETH, Mr. NETHERCUTT, Mr. WHITFIELD, Mr. HUNTER, Mr. BACHUS, Mrs. BIGGERT, and Mr. NEY

JUNE 7, 1999

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on March 11, 1999]

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Regulatory Right-to-*
5 *Know Act of 1999”.*

6 **SEC. 2. PURPOSES.**

7 *The purposes of this Act are to—*

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

11 *(2) increase Government accountability; and*

12 *(3) improve the quality of Federal regulatory*
13 *programs and rules.*

14 **SEC. 3. DEFINITIONS.**

15 *In this Act:*

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

1 (2) *BENEFIT.*—The term “benefit” means the
2 reasonably identifiable significant favorable effects,
3 quantifiable and nonquantifiable, including social,
4 health, safety, environmental, and economic effects,
5 that are expected to result from implementation of, or
6 compliance with, a rule.

7 (3) *COST.*—The term “cost” means the reason-
8 ably identifiable significant adverse effects, quantifi-
9 able and nonquantifiable, including social, health,
10 safety, environmental, and economic effects, that are
11 expected to result from implementation of, or compli-
12 ance with, a rule.

13 (4) *DIRECTOR.*—The term “Director” means the
14 Director of the Office of Management and Budget.

15 (5) *MAJOR RULE.*—The term “major rule” has
16 the meaning that term has under section 804(2) of
17 title 5, United States Code.

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

22 (7) *PAPERWORK.*—The term “paperwork” has
23 the meaning given the term “collection of informa-
24 tion” under section 3502 of title 44, United States
25 Code.

1 (8) *PROGRAM COMPONENT*.—The term “program
2 *component*” means a set of related rules.

3 **SEC. 4. ACCOUNTING STATEMENT.**

4 (a) *IN GENERAL*.—Not later than February 5, 2001,
5 and on the first Monday in February of each year there-
6 after, the President, acting through the Director of the Office
7 of Management and Budget, shall prepare and submit to
8 the Congress an accounting statement and associated report
9 containing an estimate of the total annual costs and bene-
10 fits of Federal regulatory programs, including rules and
11 paperwork—

12 (1) *in the aggregate;*

13 (2) *by agency, agency program, and program*
14 *component; and*

15 (3) *by major rule.*

16 (b) *ADDITIONAL INFORMATION*.—In addition to the in-
17 formation required under subsection (a), the President shall
18 include in each accounting statement under subsection (a)
19 the following information:

20 (1) *An analysis of impacts of Federal rules and*
21 *paperwork on Federal, State, local, and tribal govern-*
22 *ment, the private sector, small business, wages, con-*
23 *sumer prices, and economic growth, as well as on*
24 *public health, public safety, the environment, con-*

1 *sumer protection, equal opportunity, and other public*
2 *policy goals.*

3 *(2) An identification and analysis of overlaps,*
4 *duplications, and potential inconsistencies among*
5 *Federal regulatory programs.*

6 *(3) Recommendations to reform inefficient or in-*
7 *effective regulatory programs or program components,*
8 *including recommendations for addressing market*
9 *failures that are not adequately addressed by existing*
10 *regulatory programs or program components.*

11 *(c) NET BENEFITS AND COSTS.—To the extent feasible,*
12 *the Director shall, in estimates contained in any submission*
13 *under subsection (a), quantify the net benefits or net costs*
14 *of—*

15 *(1) each program component covered by the sub-*
16 *mission;*

17 *(2) each major rule covered by the submission;*
18 *and*

19 *(3) each option for which costs and benefits were*
20 *included in any regulatory impact analysis issued for*
21 *any major rule covered by the submission.*

22 *(d) SUMMARY OF REGULATORY ACTIVITY.—The Direc-*
23 *tor shall include in each submission under subsection (a)*
24 *a table stating the number of major rules and the number*

1 *of nonmajor rules issued by each agency in the preceding*
2 *fiscal year.*

3 (e) *YEARS COVERED BY ACCOUNTING STATEMENT.—*

4 *Each accounting statement submitted under this section*
5 *shall, at a minimum—*

6 (1) *cover expected costs and benefits for the fiscal*
7 *year for which the statement is submitted and each of*
8 *the 4 fiscal years following that fiscal year;*

9 (2) *cover previously expected costs and benefits*
10 *for each of the 2 fiscal years preceding the fiscal year*
11 *for which the statement is submitted, or the most re-*
12 *cent revision of such costs and benefits; and*

13 (3) *with respect to each major rule, include the*
14 *estimates of costs and benefits for each of the fiscal*
15 *years referred to in paragraphs (1) and (2) that were*
16 *included in the regulatory impact analysis that was*
17 *prepared for the major rule.*

18 (f) *DELAYED APPLICATION OF CERTAIN REQUIRE-*
19 *MENTS.—*

20 (1) *APPLICATION AFTER FIRST STATEMENT.—*

21 *The following requirements shall not apply to the first*
22 *accounting statement submitted under this section:*

23 (A) *The requirement under subsection (a)(2)*
24 *to include estimates with respect to program*
25 *components.*

1 (B) *The requirement under subsection*
2 *(b)(2).*

3 (2) *APPLICATION AFTER SECOND STATEMENT.—*

4 *The requirement under subsection (b)(1) to include*
5 *analyses of impacts on wages, consumer prices, and*
6 *economic growth shall not apply to the first and sec-*
7 *ond accounting statements submitted under this sec-*
8 *tion.*

9 **SEC. 5. NOTICE AND COMMENT.**

10 (a) *IN GENERAL.—Before submitting an accounting*
11 *statement and the associated report to Congress under sec-*
12 *tion 4, and before preparing final guidelines under section*
13 *6, the Director of the Office of Management and Budget*
14 *shall—*

15 (1) *provide public notice and an opportunity of*
16 *at least 60 days for submission of comments on the*
17 *statement and report or guidelines, respectively; and*

18 (2) *consult with the Director of the Congressional*
19 *Budget Office on the statement and report or guide-*
20 *lines, respectively.*

21 (b) *APPENDIX.—After consideration of the comments,*
22 *the Director shall include an appendix to the report or*
23 *guidelines, respectively, addressing the public comments*
24 *and peer review comments under section 7.*

1 (c) *AVAILABILITY OF PEER REVIEW COMMENTS.*—To
2 *ensure openness, the Director shall make all final peer re-*
3 *view comments available in their entirety to the public.*

4 **SEC. 6. GUIDELINES FROM THE OFFICE OF MANAGEMENT**
5 **AND BUDGET.**

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

11 (1) *most plausible measures of costs and benefits;*

12 (2) *the means of gathering information used to*
13 *prepare accounting statements under this Act, includ-*
14 *ing information required for impact analyses re-*
15 *quired under section 4(b)(1); and*

16 (3) *the format of information provided for ac-*
17 *counting statements, including summary tables.*

18 (b) *REVIEW.*—The Director shall review submissions
19 *from the agencies to ensure consistency with the guidelines*
20 *under this section.*

21 **SEC. 7. PEER REVIEW.**

22 (a) *IN GENERAL.*—The Director of the Office of Man-
23 *agement and Budget shall arrange for 2 or more persons*
24 *that have nationally recognized expertise in regulatory*
25 *analysis and regulatory accounting and that are inde-*

1 *pendent of and external to the Government, to provide peer*
2 *review of each accounting statement and associated report*
3 *under section 4 and the guidelines under section 6 before*
4 *the statement, report, or guidelines are final.*

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

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

13 **(d) BALANCE AND INDEPENDENCE.**—*The Director*
14 *shall ensure that—*

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

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

22 **(3)** *the comments provided by those persons—*

23 **(A)** *are not inappropriately influenced by*
24 *any special interest; and*

25 **(B)** *are the result of independent judgment.*

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