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Statement of Judiciary Committee Chairman Lamar Smith Subcommittee on Courts, Commercial and Administrative Law Hearing on "The Office of Information and Regulatory Affairs: Federal Regulations and Regulatory Reform under the Obama Administration"

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Statement of Judiciary Committee Chairman Lamar Smith Subcommittee on Courts, Commercial and Administrative Law Hearing on "The Office of Information and Regulatory Affairs: Federal Regulations and Regulatory Reform under the Obama Administration"

Chairman Smith: As America's small businesses and job creators work to recover from a slack economy, a tide of new regulations and red tape constantly threatens to set them back.

In its first three years, the Obama Administration has imposed 106 new major regulations on the private sector, which costs \$46 billion annually.

That is four times the number of major regulations the Bush Administration imposed on the private sector in a similar period—at more than five times the cost. It is no wonder that small business owners say that government regulations are the single most important problem they face.

In 2011, the Obama Administration's agenda had over 200 "economically significant" new rules, each of which typically affect the American economy \$100 million or more each year.

I have sponsored regulatory reform bills that lighten this load. The "Regulatory Accountability Act of 2011" [H.R. 3010] builds on and codifies proven regulatory reform principles.

It guarantees that the benefits of all new regulations will justify the costs and that agencies will choose less burdensome regulations when possible. It also increases accountability, public participation and transparency in the rulemaking process.

The "Regulatory Flexibility Improvements Act of 2011" [H.R. 527] reforms rulemaking specifically to help small businesses strained under the regulatory burden.

It forces agencies to account for and minimize the impacts of new regulations on small businesses. It gives small business owners more opportunities to be heard as regulations are written. And it forces agencies to look harder at ways to cut the costs of regulations already on the books.

Finally, the REINS Act guarantees that Congress will vote up or down before new major regulations can take effect. The REINS Act restores accountability for decisions to impose large new burdens on small businesses and job creators.

Each of these bills passed the House of Representatives with bipartisan support. And, each enjoys companion legislation in the Senate.

Yet when the Judiciary Committee offered to work with the administration to find mutually agreeable legislative terms, the administration refused. And when each bill came to the House floor, the administration suggested that the President's advisers would recommend that he veto the bill.

This is inconsistent with the President's own statements on regulatory reform. In his January 25, 2011, State of the Union Address, the President said that, "[w]hen we find rules that put an unnecessary burden on businesses, we will fix them." The House-passed legislation does that.

In his September 8, 2011, address to a joint session of Congress, the President agreed that "there are some rules and regulations that do put an unnecessary burden on businesses at a time when they can least afford it."

He also stated that, “[w]e should have no more regulation than the health, safety and security of the American people require. Every rule should meet that common-sense test.” I agree. The House-passed legislation assures that result.

I urge the administration to reconsider its positions on these bills and work with Congress to make their reforms a reality. The administration’s unilateral efforts to achieve regulatory reform under executive orders and presidential memoranda have produced few results. What is truly needed is legislative action.

If Washington does not adopt definitive regulatory reform, new regulatory burdens will continue to keep private sector capital on the sidelines, and we will not be able to expect new jobs.



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