



## Center for Regulatory Effectiveness

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The Honorable Jeffrey William Runge, M.D.  
Administrator  
National Highway Traffic Safety Administration  
U.S. Department of Transportation  
400 Seventh Street, S.W.  
Room 5220  
Washington, DC 20590

Dear Dr. Runge:

I am writing you regarding the new project of the Center for Regulatory Effectiveness (CRE), which evaluates the cost-effectiveness of selected rulemakings. The Office of Management and Budget, in the President's FY 2003 Budget, utilized a league table to illustrate the relative cost-effectiveness of selected safety and health regulations promulgated between 1995-2000. League tables, used as an analytic tool, provide an orderly ranking of comparable items based on a common key criteria. OMB explained in the Budget that they would increase the use of league tables and cost-effectiveness analysis in decision-making. OMB also explained that its issuance of government-wide Data Quality guidelines were the first of the modest steps they were taking towards this analytic goal.

CRE, a regulatory watchdog, has long been involved in analyzing the effectiveness of proposed regulations. CRE has also been an active participant in the public process of developing OMB and agency-specific Data Quality guidelines. In that OMB is increasing their use of league tables and since league tables represent an important application of the Data Quality guidelines, CRE is undertaking a series of analyses utilizing league tables to evaluate proposed regulations. CRE's first league table analysis is of NHTSA's proposed tire performance standards for FMVSS No. 139 (Docket No. NHTSA-00-8011).

Attached please find copies of a paper discussing CRE's league table analysis project as well as our analysis of the cost-effectiveness of NHTSA's proposed tire performance standards. You will note that the proposed standards have an estimated cost per life-year saved that is greater than any regulation included in OMB's league table. We will be posting these documents on our website at [www.TheCRE.com](http://www.TheCRE.com).

Sincerely,

Jim J. Tozzi  
Member, Board of Advisors

Attachments