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To: John F. Morrall III/OMB/EOP@EOP

cc:

Subject: Correction to Comments on Draft Report on Costs & Benefits of Federal Regulation

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Mr. Morrall, I mistakenly sent you the wrong attached file in emailing my comments yesterday. Please disregard yesterday's email, and use these as OMB Watch's comments. Thank you...

Submitted by:

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May 28,2002

Mr. John Morrall III  
Office of Information and Regulatory Affairs  
NEOB, Room 10235  
1725 17th Street, N.W.  
Washington, D.C. 20503

Re: OMB's 2002 Draft Report to Congress on the Costs and Benefits of Regulations

Dear Mr. Morrall:

In past comments, we have focused on the general problems with regulatory accounting, as well as methodological issues. With the change in administrations, however, OIRA has used its new draft report to highlight a shift in approach to regulatory policy. Specifically, this seems to mean a more active OIRA that aggressively asserts cost-benefit analysis and takes a central role in identifying regulatory priorities.

Accordingly, our comments focus on these policy changes. In particular, we address transparency issues, which OIRA has made a priority, and offer suggestions for continued improvements. We recommend factors OIRA should consider in preparing its guidance document on cost-benefit analysis. And we offer our views on OIRA's proper role, focusing on issues such as return letters, risk assessment, and science at OIRA.

In addition, we also provide some of our own regulatory priorities for OIRA's consideration, which are attached, as requested in the draft report. OMB Watch chairs a broad-based coalition called Citizens for Sensible Safeguards, which works to promote strong standards for health, safety, civil rights, and the environment. We are in the process of soliciting regulatory recommendations from our coalition partners. Attached is a preliminary sample of recommendations that have been provided to us for OIRA's consideration. Once a final list is compiled, we will make it available to the public and share it with OIRA. As discussed further below, we do not believe OIRA should be using this report to rank regulatory priorities, but we feel as if we have no choice but to participate.

Finally, we discuss some of the numbers presented in OIRA's report. We recommend that OIRA drop its continued use of the Hahn-Hird estimates and better discuss uncertainty in monetization, as well as estimates of regulatory burden on small business.

### **Transparency**

OMB Watch strongly supports recent efforts by OIRA to increase transparency. These efforts are important and should be commended. Yet OIRA should not be complacent. Much still needs to be done. Specifically:

**OIRA should provide clarity and justification for its rankings of public recommendations for regulatory reforms.** We do not believe such priority setting is an appropriate role for OIRA. Yet if OIRA is to continue this practice, it must be transparent. OIRA has given no indication of any sort of process for reviewing recommendations, nor has any justification been given for any of the rankings. OIRA should explain why a rule received a particular ranking, be it “high priority,” “medium priority,” or “low priority,” allowing the public to evaluate OIRA’s reasoning.

**OIRA should provide greater clarity for its “upfront” involvement in agency rulemakings.** OIRA states that “agencies are beginning to invite OIRA staff into earlier phases of regulatory development in order to prevent returns late in the rulemaking process.” This sort of discussion is not covered by E.O. 12866, yet clearly OIRA’s influence is being felt. OIRA should begin to think about how to communicate its role in shaping rules that have yet to be sent to OIRA for review.

OMB Watch does not support an “upfront” role for OIRA. Rather, we believe that agencies -- which unlike OIRA, are empowered by Congress to carry out regulation -- should be given more discretion in formulating policy than OIRA seems willing to grant. Yet as OIRA exerts more influence early on in the rulemaking process -- negating the disclosure requirements of the E.O. -- it is important for OIRA to communicate this new role to the public and Congress. In this respect, disclosure of prompt letters (which again, we do not think is an appropriate function for OIRA) is a positive step. Likewise, OIRA should make clear when it becomes involved in a rulemaking, as well as the nature of its recommendations.

**OIRA should better explain and document “consistent with change.”** Based on our experience with a number of regulatory review files at OIRA’s docket library, it is still difficult, if not impossible, to discern what a regulation looked like when OIRA received it, and how it changed during the review process. E.O. 12866 does not require OIRA to provide this documentation. Rather, this is left to the agencies, which are frequently negligent in adequately performing this responsibility.

We believe OIRA should provide agencies guidance on how to carry this out. As one possibility, most word-processing software provides editing tools that could clearly indicate how text is changed during OIRA review. Documentation of changes should also be kept at OIRA’s docket. This will make it easier for the public, Congress, and indeed OIRA itself, to assess OIRA’s performance during the regulatory review process.

We understand that OIRA does not view changes made during the review process as necessarily its own, but rather the outcome of a dialogue with the agency. This stipulation can be made, but it should not preclude clear and full disclosure of the outcome of the review process.

OIRA should also consider adding greater specificity to the ambiguous “consistent with change” label. This label only tells you that change was made, but tells you nothing of the

nature of the change. Thus, there is no way to distinguish rules with significant substantive changes from rules with minor changes for clarity where the substance of the rule is unaltered.

**OIRA should provide guidance on how to better improve transparency of the regulatory process across agencies.** There is no government-wide regulatory identification system that would facilitate the tracking of a rule over its life cycle. Ideally, the public should be able to enter in a rule's identification number into a single web-based search function, and retrieve all related information across federal agencies, OIRA, GAO, and the Federal Register. OIRA should begin an effort to make this a reality.

NHTSA provides an example of how an ID system can work. NHTSA keeps all rulemaking information in an electronic docket, which can be searched by entering in a rule's ID number. This allows the public to easily retrieve a wealth of information, including public comments, the agency's regulatory impact analysis, and supporting studies.

In developing guidance, OIRA should also examine other agency transparency efforts. Many agencies have experimented with electronic rulemaking, for instance. These efforts are crucial, and OMB deserves credit for highlighting the benefits of e-rulemaking in the administration's e-government initiative. In pursuing e-rulemaking, OIRA should be cautious not to get in the way of innovation, but should serve to highlight the more successful enterprises, and push further improvements. We encourage OIRA to study several models before becoming locked in to one agency approach.

### **Cost-Benefit Factors to Consider**

OIRA has initiated "a process of refinement to its formal analytic guidance documents." We have concerns about many of the issues OIRA has identified. The 7 percent discount rate currently advised by OIRA is far too high, whatever you think about the practice of discounting in general. We intend to submit views on these issues in the context of the public comment period committed to by OIRA.

In response to OIRA's request for additional analytical issues that should be addressed in this process, we offer the following suggestions:

**Willingness to pay vs. willingness to avoid.** The use of willingness-to-pay methods may be profoundly affected by socioeconomic characteristics. Specifically, lower-income individuals may report lower willingness-to-pay, not because they actually place a lower value on a particular benefit, but because they are implicitly trading off such payments against basic necessities. We believe agencies should avoid basing willingness-to-pay functions on highly constrained respondents. Indeed, it should be acknowledged that all WTP values are based on income constraints, and that utilization of the WTP methodology implicitly involves a major policy choice on the "correct" level of wealth.

Before promoting WTP, OIRA should evaluate which, if any, willingness-to-pay estimates are indeed “generally accepted,” and how such acceptance developed.

Willingness-to-avoid methodologies should also be discussed. Willingness-to-avoid is assessed by asking respondents how much money they would have to be paid in order to accept a particular **risk** -- for example, increased **risk** of harm to their children’s health resulting from an environmental factor. While in theory willingness-to-pay and willingness-to-avoid should be the same, WTA is generally higher than WTP by a factor of two to ten or more. We believe it is significant that, in the research conducted to date, there is no sum of money that parents are willing to accept for an increased risk to their children’s health.

**The need to account for technological advancements.** Industry learns to adapt to regulation and reduce costs over time through technological advancements, “learning by doing,” and other factors. As a result, agency cost estimates, which do not attempt to anticipate adaptive measures, frequently prove overblown in the real world.

An article in the American Prospect by Eban Goodstein and Hart Hodges highlights this tendency in dramatic fashion. In examining estimated costs next to actual costs for 13 major rules, Goodstein and Hodges found estimated costs were at least double the actual costs for all but one. For instance, EPA estimated in 1990 that acid rain controls would cost electrical utilities about \$750 per ton of sulfur dioxide emissions; yet the actual cost turned out to be less than \$100 per ton, billions of dollars less than what was initially anticipated. OIRA should examine how to incorporate well-documented adaptive effects to improve the accuracy of cost estimates.

**The need to check industry-supplied data.** Regulated entities have a clear self-interest in providing data that makes potential regulation look as expensive as possible. Yet agencies are frequently forced to rely on this data for cost-benefit analysis. OIRA should examine ways to check industry-supplied data to ensure it is “objective,” which OIRA has pressed in the context of its data quality guidelines.

**The need for transparency in monetization.** Monetization involves a host of assumptions and analytical leaps of faith. Agencies should be required to explain these assumptions in a clear and consistent way, so they can be understood by the public and Congress.

## **OIRA’s Role**

Over the last year OIRA has sought to expand its role and influence in a multitude of ways, as discussed in the draft report. OIRA is not statutorily charged with carrying out health, safety, and environmental protections. Yet OIRA’s draft report demonstrates little reluctance to exert influence in these areas. Specifically, OMB Watch has concerns in the following areas:

**Ranking of regulatory priorities.** The statute mandating the regulatory accounting report asks for “recommendations for reform.” OIRA has inappropriately interpreted this as a broad mandate to push for changes in specific rules. Congress considered specifying such a role in the context of regulatory accounting legislation, yet in the end, decided against it -- and for good reason.

OIRA’s regulatory accounting report is a very poor vehicle for soliciting comments on such changes, and for ranking regulatory priorities. Because of the wide-open nature of the request, OIRA may receive just one set of comments on a rule expressing one set of views. This is hardly a sound foundation for priority setting. Outside parties have no way of knowing whether a rule they are interested in might be submitted to OIRA, and subjected to examination. Presumably if OIRA put out a request for comment on a specific rule -- not something we suggest, as this should be left to the agencies -- there would be a greater volume of comments, presenting a fuller picture of the issues involved.

OIRA’s priority rules are also constrained by who happens to respond. For the last report, OIRA received 71 suggestions for reforming specific regulations, 44 of which were from George Mason’s conservative Mercatus Center. From this limited pool, a disproportionate number of environmental rules received a “high priority” ranking, signaling OIRA’s agreement and intent for further examination. However, according to OIRA, “a closer examination of OIRA’s decision making process reveals no implicit or explicit intent to target environmental rules for scrutiny. The distribution of rules by agency reflects the concerns raised by public comments, not the interests of OIRA.” Of course, OIRA was free to reject those concerns as unrepresentative, which they clearly were.

In the future, OIRA may find itself overwhelmed with recommendations for reform covering a wide range of issues for which it has little or no first-hand expertise. Accordingly, regulatory changes should be left to the agencies, which have the statutory authority delegated by Congress, the technical and scientific expertise, and the proximity to affected parties -- including regulated interests and the intended beneficiaries of regulation -- that OIRA lacks.

**Data quality guidelines.** In discussing data quality guidelines, OIRA states that it “has taken a strong interest in improving the quality of information and analysis used and disseminated by agencies.” Yet the Data Quality Act says nothing about analysis or the interpretation of data. Rather, the focus should be on correction of factual errors. OIRA went far beyond the statutory mandate in requiring agencies to “adopt or adapt” principles for risk assessment in the Safe Drinking Water Act (discussed below), and insisting that “influential” information be “reproducible.”

**Safe Drinking Water Act requirements for risk assessment.** OIRA has pushed agencies to adopt principles for risk assessment laid out in the Safe Drinking Water Act (SDWA), both through its data quality guidelines and its memorandum on regulatory analysis. Across-the-board requirements for risk assessment have been thoroughly

debated by Congress since the Contract with America in 1994, and have been rejected. Likewise, OIRA should drop its push for government-wide adoption of SDWA principles. Such significant and far-reaching action must come only at the direction of Congress.

Agencies have many different functions, histories, and statutory requirements, and by necessity, carry out risk assessment in different ways. Indeed, in draft data quality guidelines, no agency -- including EPA -- chose to "adopt" SDWA's risk assessment requirements. The SDWA was written for health-based risk assessment, specifically with cancer prevention in mind. For instance, it does not fit neatly with safety assessments or assessments of ecological impacts.

As one example, the Food and Drug Administration points out that many of its actions related to non-cancer-causing hazards -- for example, actions related to adverse effects from drugs -- are based on the judgment of scientific experts, and are essentially qualitative. "Although we analyze the economic costs of the regulations and consider alternatives, regulations like these do not lend themselves to the types of quantitative risk assessments contemplated by the Safe Drinking Water Act principles," FDA states in its draft guidelines. OIRA should consider agency responses to the SDWA principles as a strong signal that adoption won't work.

**Use of return letters.** OIRA states that "the degree of OIRA's actual effectiveness can be questioned when it declines to use its authority to return rules." Yet more important in evaluating OIRA is the reason for the return.

Most of OIRA's return letters and each of its post-review letters claim inadequacies in the agency's cost-benefit analysis -- making good on the promise to elevate cost-benefit analysis. In no case does OIRA return a rule for being insufficiently protective of public health, safety, or the environment. OIRA might claim NHTSA's tire-pressure monitoring standard. But OIRA's clear overriding concern is cost.

For instance, in returning a rule from the Department of Transportation on hazardous materials -- specifically, safety requirements for cargo tanks transporting flammable liquid -- OIRA suggested exempting tanks older than 15 years, questioning the "cost-effectiveness" of the rule, and indicating it feels that DOT is overstating benefits.

To satisfy OIRA and "prove" cost-effectiveness, monetization of benefits becomes crucial. This emphasis on cost-benefit analysis, and in particular the monetization of benefits, is very troubling. Cost considerations are frequently easier to monetize than benefits. Benefits on the other hand frequently do not involve goods or services traded on the open market; they may involve the saving of human life, prevention of environmental degradation, or the reduction of injury or disease. Monetizing such benefits involves severe limitations and a host of questionable analytical assumptions. Under the monetization methods favored by OIRA, this process is likely to deflate benefits relative to costs, which can be used to justify a decision not to act.

Rhetorically at least, OIRA has recognized the difficulty in monetizing certain benefits and the necessity of incorporating qualitative factors in cost-benefit analysis. Yet through return letters to agencies, as well as OIRA's memo on regulatory analysis, it is clear OIRA believes agencies are not doing enough to monetize benefits. For instance, in a post-review letter on an EPA proposal to control emissions of certain recreational engines, OIRA objects that EPA failed to monetize environmental benefits associated with the rule. Besides affecting the rule in question, such a public letter also serves to send a message across government, affecting the way other agencies operate -- which OIRA has stated is its intent. Critics, including OMB Watch, have argued that this emphasis on monetization does not bode well for health, safety, and environmental protections, and OIRA has yet to prove us wrong.

**Cost-benefit analysis vs. underlying statutes.** According to OIRA, "The public and Congress have an interest in benefit and cost information, regardless of whether it plays a central role in decisionmaking under the agency's statute." Yet this statement can be called into question where Congress has not mandated such information in an agency's underlying statute, particularly where it has explicitly forbidden cost-benefit analysis as a decision-making tool. If Congress were especially interested in such information, it seems likely it would have been mandated in statute. In such cases, OIRA should recognize an agency's cost-benefit analysis as less important. Certainly, it should not be a reason for holding up regulatory action, which in most cases, was precisely why Congress prohibited its use in the first place.

**Peer review.** OIRA urges peer review of Regulatory Impact Analyses (RIAs), stating that it will "give a measure of deference to agency analysis that has been developed in conjunction with such peer review procedures." OIRA needs to recognize the difficulty in conducting such peer review, which has been considered by Congress, and rejected. Serving on such panels is time-consuming, and balance may be difficult, if not impossible, to achieve. Indeed, OIRA may implicitly recognize this, as it does not instruct agency peer review panels to be balanced. Rather, OIRA merely states that peer reviewers should be selected "primarily on the basis of necessary technical expertise." In the case of EPA's Science Advisory Board, this has frequently meant a stacked deck of self-interested industry representatives, as documented by GAO. OIRA should instruct that agencies avoid such conflicts.

Where there are conflicts, OIRA should make clear that they are to be disclosed to the *public*, not just the agency (which is OIRA's current position). OIRA states that its interest in transparency extends partly from an interest in answering suspicion about process and shifting debate to matters of substance. This same logic demands that peer reviewers publicly disclose any conflicts of interest.

**Prompt letters.** OIRA has issued a number of prompt letters. By themselves, none of these letters is truly harmful, and in fact, some may be helpful. However, it raises the question of the proper role for OIRA. OIRA has -- for good reason -- never before attempted to prioritize regulatory issues for agencies, which unlike OIRA, are statutorily charged with carrying out regulation. OIRA has little scientific expertise on staff (even as

it tries to expand in this area) and lacks the resources and procedural mechanisms to guarantee public involvement in such important decisions. Indeed, the letter to OSHA on defibrillators in the workplace seems to have been sent after a cursory review of several journal articles. This hardly seems a sound foundation on which to base agency priority setting.

The case of the FDA rule on trans fatty acid, however, is less clear-cut. In this case, the agency had already initiated a rulemaking, making it a priority on its own; OIRA's letter simply asked the agency why it had not completed the rulemaking. The public interest community has long complained that agency rulemakings take too long, sometimes more than a decade. It might be an appropriate role for OIRA to provide the occasional whip to make sure that rules are being completed in a timely fashion, and examine the possible sources of ossification (such as budgetary constraints) where it exists.

**Science at OIRA.** OIRA recently committed to hiring five new analysts "aimed at expanding the Office's scientific capabilities." This includes a risk assessor, a public health scientist, a health economist/decision scientist, and an engineer. OIRA also notes in its draft report that it is in the process of forming a scientific advisory panel, which will meet twice a year, "that will suggest initiatives to OIRA, evaluate OIRA's ongoing activities, comment on national and international policy developments of interest to OIRA, and act as a resource and recruitment mechanism for OIRA staff."

This is a significant and troubling development, implying a greater centralization of control over regulatory functions at OIRA. By executive order, OIRA has review authority over agency cost-benefit analysis, and the Paperwork Reduction Act gives review authority over information collection requests, both of which involve economic considerations and analysis. But questions of science that go to the need for a regulation should be the chief purview of the regulatory agencies, such as EPA, DOT, and OSHA. After all, unlike OIRA, agencies have a statutory obligation to address these scientific questions; they must answer to Congress and the courts for regulatory performance; they have the necessary experience, along with the specific built-in expertise; they have relationships with affected communities; and they have processes for public involvement.

In turning back NHTSA's tire pressure standard, the OIRA administrator told the Washington Post, "The question of whether anti-lock braking systems should be made standard equipment in all cars -- and through a regulation -- is worthy of a regulatory proceeding. We at OMB have been thinking about that issue for the last several months." What's so startling about this statement is that it implies OIRA spearheading action in an area that is clearly in NHTSA's statutory jurisdiction. This is overstepping by OIRA, and the hiring of scientists, as well as the establishment of a scientific advisory panel, does not bode well for the future.

### **Assessing Costs and Benefits of Regulation**

**OIRA should drop all use of the Hahn-Hird figures.** OIRA presents aggregated figures for costs and benefits in its Appendix C, “because they are based substantially on figures that the agencies did not produce and OMB did not review.” OIRA is right to give these figures reduced weight, yet OIRA has not gone far enough. These figures rely heavily on a 1991 study by Robert Hahn and John Hird (not mentioned in the draft report, but discussed in OIRA’s 2001 report), which was actually based on much earlier work from the late 70s.

This study fails to incorporate information generated over the last 20 years linking pollution to adverse health effects. For instance, it does not capture the enormous health benefits associated with reduction in levels of airborne lead, or the growing body of work that led to regulation of fine particulates. Nonetheless, OIRA presents Hahn-Hird’s lower-bound estimate to generate the implausible finding that environmental regulation may have resulted in a net loss of \$83 billion as of 2001. Does OIRA really believe this is possible? The Hahn-Hird estimates are woefully outdated, and should be dropped entirely.

**Total costs of regulation should not be overblown.** OIRA states that the total costs of regulation are comparable to discretionary spending at \$640 billion in 2001. Where is this number from? There is no citation. OIRA presents estimates in its Appendix C that peg regulatory costs from \$520 billion to \$620 billion. Yet even at the high end, this is still a not-insignificant \$20 billion less than \$640 billion. Moreover, OIRA disavows these numbers, as discussed above. There is simply no good data available on total regulatory costs, and OIRA should acknowledge that.

**OIRA should be clearer about uncertainty in monetization.** OIRA states that benefits are “highly uncertain.” In a monetized sense, this is undoubtedly true. Many benefits are frequently not captured by monetized cost-benefit analysis, such as morbidity, effects on ecosystems, and equity considerations. Yet this does not mean that benefits are necessarily “highly uncertain.” Rather, while science may be able to establish likely benefits, they may not be reflected in the agency’s cost-benefit analysis.

Take EPA’s cost-benefit analysis for arsenic in drinking water, as described by Lisa Heinzerling and Frank Ackerman in their booklet from earlier this year, “Pricing the Priceless.” Arsenic causes cancers of the bladder, lungs, skin, kidneys, nasal passages, liver, and prostate, as well as other cardiovascular, pulmonary, neurological, immunological, and endocrine problems. However, EPA’s dollar estimates only include the health benefits of reductions in bladder and lung cancer, for which there was quantified data, missing other likely benefits.

In calculating non-fatal benefits for these cancers, EPA amazingly substituted a previously determined willingness-to-pay value for reducing chronic bronchitis, as no such value was available for non-fatal bladder and lung cancer. In other words, **EPA** treated nonfatal cases of bladder and lung cancers as equivalent to chronic bronchitis. In this sense, benefits are less uncertain than obscured by monetization, which OIRA should acknowledge.

Moreover, while OIRA labels benefits “highly uncertain,” this is not applied to costs, as it should be. It’s true that cost considerations are inherently easier to monetize than benefits. For example, they may involve purchases of new equipment or the hiring of additional personnel. Yet ironically, this does not mean cost estimates are any more accurate. In calculating costs, agencies must rely on data supplied by industry, which has a self-interest to make potential regulation look as expensive as possible.

Combine this with well-documented adaptive responses to regulation, such as technological advances or “learning by doing” -- which drive down costs over time, yet are not predicted by cost-benefit analysis -- and agency cost estimates frequently prove overblown in the real world.

**Costs to small business should be placed in proper context.** In discussing impacts on small business, OIRA cites a dire new report, conducted by W. Mark Crain and Thomas D Hopkins for SBA’s Office of Advocacy that sounds a familiar theme: Small businesses are being strangled in a sea of regulation. Indeed, the study estimated that federal regulations cost small firms (less than 20 employees) a mind-boggling \$7,000 per employee annually; the total cost of regulation was estimated to be an incredible \$497 billion. No estimates were given for benefits, as the focus of Advocacy is clearly on costs.

In the press release accompanying the report, Hopkins expresses wonder at how small businesses have still managed to thrive despite such oppressive burden. It doesn’t seem to occur to him that his estimates might be vastly overblown. Given the difficulty OIRA has had in producing its own estimates on the cumulative impact of regulation, the Crain-Hopkins study should be treated with skepticism.

A 1996 report from the General Accounting Office -- the investigative arm of Congress -- provides even more reason to be skeptical. GAO examined the regulatory costs of 15 businesses and failed to produce any evidence of significant burden -- or even slight burden for that matter -- despite the fact that participating companies, who volunteered for the study, were largely critical of federal regulation and had a vested interest in proving their case. Indeed, not one company was able to pinpoint its annual regulatory costs, and instead GAO’s study turned into an explanation of why honest regulatory assessment might not be possible.

Of course, this is not to say there is no burden at all. We should be concerned about burdens on small business. OMB Watch, for example, has long advocated a system of integrated reporting across agencies that would allow regulated entities to submit required information to one place electronically, thereby reducing duplicative efforts. Recently, we have also worked on legislation (S. 1271) in the Senate that would create a comprehensive inventory of compliance assistance programs, making it easier for small business to take advantage of such programs.

At the same time, small business should not be used as an excuse for inaction, as some would clearly have it. According to **SBA**, the legal definition of small business encompasses 99 percent of American businesses employing 51 percent of the private-sector workforce. This includes, for instance, a general contractor with as much as \$17 million in annual revenue, a chemical company with as many as 1,000 employees, and a petroleum refinery with as many as 1,500 employees -- not exactly mom and pop. Under such an expansive definition, it's impossible to have strong health, safety, and environmental protections without asking small business to do their **part**. OIRA should make this clear.

Thank you for consideration of our comments. Enclosed is a beginning list of rules divided in two parts -- pending administrative actions and new initiatives.

Sincerely,

Reece Rushing  
Policy Analyst  
OMB Watch

## **CSS List (In Progress) of Suggested Regulatory Actions\***

### **PENDING ADMINISTRATIVE ACTIONS**

#### **Ergonomics Protections**

**Regulating Agency:** OSHA

**Citation:** 65 Fed. Reg. 68262

**Authority:** Occupational Health and Safety Act, 29 U.S.C. Sec. 655(b)

**Description of Problem:** Ergonomics hazards are the nation's biggest job safety problem, and according to the AFL-CIO, 1.8 million workers suffer from work-related musculoskeletal disorders per year in jobs that require heavy lifting or forceful repetitive work. OSHA has withdrawn the ergonomic injury standard promulgated under the previous administration and replaced it with voluntary guidelines.

**Proposed Solution:** OSHA should promulgate a rule protecting workers from ergonomics hazards and injuries. The voluntary plan proposed by the administration will not effectively protect workers because it is not mandatory or enforceable.

**Estimate of Regulatory Impacts:** A 2001 National Academy of Sciences report entitled *Musculoskeletal Disorders and the Workplace* concluded, "there is no doubt that musculoskeletal disorders of the low back and upper extremities are an important and costly national health problem.... In 1999, nearly 1 million people took time away from work to treat and recover from work-related musculoskeletal pain or impairment of function in the low back or upper extremities. Conservative estimates of the economic burden imposed, as measured by compensation costs, lost wages and lost productivity, are between **\$45** [billion] and **\$54** billion annually."

\*A full report will be issued later. Many coalition partners have contributed to this draft. The final report will refer to key organizations working on these issues.

## **Total Maximum Daily Loads (TMDL)**

**Regulating Agency:** EPA

**Citation:** 65 Fed. Reg. 43585 (establishing framework for setting TMDLs; 66 Fed. Reg. 53043 (deferring effective date of TMDL rule for 18 months)

**Authority:** Clean Water Act

**Description of Problem:** The Clean Water Act, through the TMDL program, requires states to identify and list waters not meeting water quality standards. A total maximum daily load sets and allocates the maximum amount of a pollutant that may be introduced to a body of water while still assuring attainment and maintenance of standards. The TMDL water quality standards have not served a meaningful role in protecting the nation's water for the three decades of the CWA's existence. Many states have failed to implement the TMDL, and are being sued as a result.

**Proposed Solution:** EPA should implement the final rule that it postponed (on October 18, 2001) to 2003.

**Estimate of Regulatory Impacts:** The TMDL program will serve to clean up our nation's waters as intended by the passing of the CWA 30 years ago. Currently, only about half of the nation's surface waters are "swimable," and "fishable," which was the intent of the Act. Many of these water sources are being polluted by "nonpoint sources" of pollution, or runoff from farming, industry, etc. TMDLs are the mechanism in the CWA for regulating these nonpoint sources of water pollution.

## **Concentrated Animal Feeding Operations (CAFOs)**

**Regulating Agency:** EPA

**Citation:** 66 Fed. Reg. 3134

**Authority:** Clean Water Act, 33 U.S.C. Sec.'s 1311, 1314, 1316, 1317, 1318, 1342, 1361

**Description of Problem:** CAFOs are large industrial feedlots for animals that confine large numbers of animals and produce large amounts of wastewater that can runoff into ground and surface water systems. According to the Sierra Club, CAFO's are one of the nation's most dangerous water pollution problems and hog, chicken, and cattle waste has polluted 35,000 miles of rivers in 22 states and contaminated groundwater in 17 states.

**Proposed Solution:** On January 12, 2001, the Environmental Protection Agency (EPA) proposed strict new controls to reduce water pollution from CAFOs. EPA should stop delaying and implement this rule.

**Estimate of Regulatory Impacts:** Public Citizen points out that of the 39,000 CAFOs that the new rules will apply to, only 2,500 operations currently have Clean Water Act permits. Requiring these operations to obtain permits to control the pollution caused by CAFOs will cause CAFO owners to not only cut down on the pollution, but to absorb the high costs of water pollution that are now being transferred to the tourism, fishing, and health care industries.

## **Roadless Area Conservation**

**Regulating Agency:** USDA/Forest Service

**Citation:** 66 Fed. Reg. 3244

**Authority:** National Forest Management Act

**Description of Problem:** The Roadless Area Conservation Rule, issued on January 12, 2001, protects America's undeveloped national forest lands from the destructive construction of roads. The Bush administration filed a notice of Advanced Proposed Rulemaking regarding the Roadless Area Conservation Rule in the *Federal Register* on July 10, 2001, and over 650,000 public comments were collected. The original rulemaking process generated an unprecedented 1.6 million public comments, ninety-five percent of which supported strengthening the Roadless Area Protection Rule. This brings the total number of public comments to well over 2 million, the overwhelming majority of which support protecting roadless areas in the forests.

The Bush Administration's Forest Service has recently issued several Administrative Directives -- each with public comment periods receiving over 20,000 public comments in favor of protecting the roadless areas -- which have served to exempt some areas of protection from the Roadless Area Protection Rule. Most recently, directives issued on December 20, 2001, eliminate a Clinton administration moratorium on road building in uninventoried roadless areas. Also, the directives eliminate a provision that required regional and local forest service officials to conduct environmental and public reviews before logging, mining, and drilling can begin in roadless areas, as well as removing any roadless protection for Alaska's Tongass National Forest.

**Proposed Solution:** The Forest Service should defend the 2001 rule against the legal challenges filed against it, and implement the rule as it was originally issued in 2001.

**Estimate of Regulatory Impacts:** The Roadless area rule would protect millions of acres from road building and timber harvesting, which would preserve the soil, healthy watersheds, drinking water, air, fish and wildlife populations, as well as recreational activities. The Forest Service listed these and other numerous benefits of the rule in its original decision.

## **Air Conditioner Efficiency Standards**

**Regulating Agency:** DOE

**Citation:** 66 Fed. Reg. 38822 (withdrawing previous regulation and proposing substitute); 66 Fed. Reg. 7170 (promulgating final regulation)

**Authority:** 42 U.S.C. Sec. 6291 et. seq.

**Description of Problem:** On January 22, 2001, the DOE promulgated a regulation that would have made new air conditioners 30 percent more energy efficient by 2006. On July 25, 2001, the Department withdrew its final rule, and proposed to lower the requirement to 20 percent increase in energy efficiency.

**Proposed Solution:** DOE should reverse its decision and implement the original rule promulgated in January of 2001.

**Estimate of Regulatory Impacts:** According to DOE, mandating a 30 percent gain would have eliminated the need for 39 new electric power plants over the next 30 years, whereas the 20 percent gain will offset the need for **27** new plants.

## **Best Available Retrofit Technology**

**Regulating Agency: EPA**

**Citation:** 64 Fed. Reg. 35714

**Authority:** 1997 Regional Haze Rule

**Description of Problem:** The **EPA** is required to provide guidelines to state and tribal air quality agencies for setting air pollution limits for a number of older, large utilities and industrial plants built between 1962 and 1977 that emit more than 250 tons a year of visibility–impairing pollution. The proposed Best Available Retrofit Technology (BART) rule aims to reduce air pollution in national parks and wilderness areas by determining which plants must retrofit their pollution-control technology so that less pollution is emitted.

In January of 2001, EPA sent the proposed rule to the Federal Register, but it was withdrawn when President Bush's Chief of Staff, Andrew Card, issued a memorandum temporarily prohibiting agencies from publishing new rules in the Federal Register, effectively blocking last-minute regulatory actions by the Clinton administration. EPA issued another proposed rule on June 20, 2001, and has yet to issue a final rule.

**Proposed Solution:** **EPA** should issue a final rule to ensure protection of the air in our national parks and wilderness areas.

**Estimate of Regulatory Impacts:** Under the BART rule, older utilities may incur an initial cost to reduce air pollution. However, the costs will offset the current enormous costs to human health, the environment, and the economy of air pollution in our national parks and wilderness areas.

## **Wetlands Protections**

**Regulating Agency:** Army Corps of Engineers

**Citation:** 66 Fed. Reg. 4550

**Authority:** Clean Water Act

**Description of Problem:** On January 14, 2002, the Army *Corps* of Engineers announced changes to several wetlands rules that will make it easier for developers, mining companies and others to qualify for general permits to dredge and fill wetlands. The Army Corps of Engineers also issued a policy on October 31, 2001, that allows developers to offset losses of wetlands on one site by protecting wetlands, or even dry land, elsewhere. Both of these changes occurred despite the fact that the Bush administration announced on April 16, 2001, that it would toughen protections for wetlands by requiring an Army Corps of Engineers permit for a broader range of projects that damaged wetlands – including mechanized land clearing, ditching and stream-straightening. A National Academy of Sciences report also found that the Corps' mitigation policy was not providing for “no net loss” of wetlands.

**Proposed Solution:** The Army Corps should strengthen its policies regarding wetlands – by strengthening permit rules and ensuring that new permits will have only minimal impact – to reflect President Bush's promise last year to preserve wetlands for future generations of Americans.

**Estimate of Regulatory Impacts:**

## **Snowmobiling in Yellowstone**

**Regulating Agency:** Department of the Interior (DOI)

**Citation:** 66 Fed. Reg. 7259

**Authority:** Clean Air Act

**Description of Problem:** Tens of thousands of snowmobiles speed through Yellowstone and Grand Teton National parks each year, emitting huge amounts of air pollution. In just one winter, snowmobiles in Yellowstone released the equivalent of 68 years of automobile pollution, according to the Natural Resources Defense Council.

The DOI announced on June 29, 2001, that it would reconsider a rule (completed at the end of the Clinton administration) that would phase out snowmobile use in Yellowstone and Grand Teton National Parks by 2004. The decision came out of a settlement agreement reached between Interior and snowmobile manufacturers, which had brought suit to stop the ban in Federal District Court in Wyoming. As a result of the June 29 agreement, the National Park Service will conduct a new Environmental Impact Statement by March 15, 2002, even though this research has already been done, and issue a final rule on the proposed ban by November 15, 2002, a month before the official snowmobiling season begins and the first phaseouts under the Clinton rule were due to begin.

**Proposed Solution:** DOI should promulgate the rule already completed in 2001.

**Estimate of Regulatory Impacts:** Under the rule, snowmobile manufacturers may incur some initial cost as technology is enhanced to make better snowmobiles at an affordable price; however, those costs will prevent park employees from getting sick, protect wildlife from harassment, and contribute to a peaceful environment in the **parks**.

## **Protection from Pollution from Diesel Engines**

**Regulating Agency:** EPA

**Citation:** 66 Fed. Reg. 5002

**Authority:** Clean Air Act

**Description of Problem:** In February 2001, EPA announced it would move forward a final rule from the Clinton administration to reduce sulfur levels in diesel fuel by 97 percent in mid-2006. EPA officials informed the Senate on August 1, 2001, that EPA would convene an independent panel to reexamine the rule.

**Proposed Solution:** EPA should move the original rule forward to reduce pollution and save lives by implementing stronger controls on diesel engines.

**Estimate of Regulatory Impacts:** The reductions in emissions from trucks and buses will save more than 8,300 American lives and prevent nearly 800,000 asthma attacks and other respiratory problems each year, according to the Natural Resources Defense Council.

## **Testing for *Listeria monocytogenes* bacteria in ready-to-eat meat**

**Regulating Agency:** USDA

**Citation:**

**Authority:** Federal Food, Drug, and Cosmetic Act

**Description of Problem:** More than three long years have passed since meats produced by the Sara Lee Company caused a food poisoning outbreak that sickened 100 people and killed 21. Consumers are still waiting for USDA to require meat and poultry processors that produce ready-to-eat products like deli meats, hot dogs, and pates to test their plants and products for potentially deadly bacteria. Last February, USDA proposed a regulation to require that testing, but it has become bottled up in the bureaucracy.

**Proposed Solution:** USDA should promulgate this proposed regulation.

**Estimate of Regulatory Impacts:** Testing for *Listeria monocytogenes* bacteria will reduce the number of illnesses and deaths from ready-to-eat meat.

## **Tuberculosis (TB)**

**Regulating Agency:** DOL/OSHA

**Citation:**

**Authority:** The Occupational Safety and Health Act

**Description of Problem:** TB is a contagious airborne disease that is potentially lethal and tends to affect those with more vulnerable immune systems. OSHA proposed a rule protecting workers from TB in Oct. 17, 1997, but has not yet issued a final rule. On March 5, 2002, OSHA published notice in the Federal Register extending yet again the public comment period on the rulemaking to May 24, 2002. OSHA has had TB on its agenda for over five years now, and it's time to provide worker protections that can be enforced.

**Proposed Solution:** OSHA should move forward with its rule protecting workers from TB.

**Estimate of Regulatory Impacts:** OSHA estimates that a workplace standard will help protect an estimated 5.3 million workers in more than 100,000 hospitals, nursing homes, hospices, correctional facilities, homeless shelters, and other work settings with a significant **risk** of TB infection, and will save over 130 lives per year.

## **Preventing deadly vehicle fires**

**Regulating Agency:** NHTSA

**Citation:** 65 Fed. Reg. 67693

**Authority:** National Traffic and Motor Vehicle Safety Act of 1966 (Part 571 Federal Motor Vehicle Standards, Standard No. 301)

**Description of Problem:** In an attempt to update a rule that has been around since 1976, NHTSA proposed a rule in November of 2000 to upgrade fuel systems in order to prevent vehicle fires in crashes. According to NHTSA, about 4 percent of deaths in light vehicles occurred in crashes involving fire, and about 12,941 occupants per year are exposed to fire in passenger cars and light vehicles. About 1,062 (8 percent) of those exposed received moderate or severe burns. As Public Citizen explains, the rule would limit the amount of fuel that is allowed to spill from the vehicle's fuel system in three different crash scenarios.

**Proposed Solution:** NHTSA has had over a year to review the comments on the proposed rule. It should write a final rule as soon as possible so that fuel systems will be upgraded to avoid deaths and injuries from fire.

**Estimate of Regulatory Impacts:** This rule would greatly reduce the occurrence of passenger exposure to fire in a vehicle crash, thereby reducing many burns and some deaths.

## **Reducing Head and Neck Injuries in Vehicle Crashes**

**Regulating Agency:** NHTSA

**Citation:** 66 Fed. Reg. 968

**Authority:** National Traffic and Motor Vehicle Safety Act of 1966 (Part 571 Federal Motor Vehicle Standards, Standard No. 202)

**Description of Problem:** NHTSA issued another proposed rule on January 4, 2001, that would upgrade the standard for head restraints for passenger cars and for light multipurpose vehicles, trucks, and buses. Head restraints are the uppermost part of a seat, and protect the head and neck from injuries often suffered in vehicle crashes. According to NHTSA, 805,581 whiplash injuries occur annually, costing about \$5.2 billion each year. According to Public Citizen, the NHTSA proposal would toughen a standard that was issued in 1969 by adding new strength requirements, limiting the size of gaps and openings in head restraints, and applying the rule to outward-facing back seats.'

Since the Federal Register notice on January 4, 2001, there has been no further action on the rule, even though NHTSA has had over a year to review comments. A NHTSA official estimated that a final rule may be issued in the fall of 2002, almost two years after the proposed rule.

**Proposed Solution:** This is an important safety protection that should not be delayed any longer. NHTSA should promulgate the final rule.

**Estimate of Regulatory Impacts:** This rule would prevent thousands of whiplash injuries per year, which would mean a savings of over \$5 billion.

## **NEW INITIATIVES**

### **Chemical Plant Safety Standards**

**Regulating Agency:** EPA

**Citation:** n/a

**Authority:** Clean Air Act, **42** U.S.C. Sec. 7412 (r).

**Description of Problem:** Chemical companies pose a great threat to the workers and communities around them, sometimes unbeknownst to those in greatest danger. Requiring disclosure of chemicals and chemical products stored at and used by chemical companies has always been a priority, but the events of September 11<sup>th</sup> have heightened public awareness to the additional threat of a terrorist attack on a chemical plant. Now more than ever measures must be taken to cut down on the dangers at chemical plants. First, public disclosure of chemical storage and usage must be required, and then facilities must be required to substitute the most dangerous chemicals with safer alternatives where they exist, and cut back on storage of large quantities of hazardous chemicals.

**Proposed Solution:** EPA should propose regulations that require chemical manufacturers to use “inherently safer technologies,” which would eliminate or greatly reduce the vulnerability of facilities producing, using, or storing a significant amount of toxic chemicals.

**Estimate of Regulatory Impacts:** The use of inherently safer technologies would prevent numerous accidents in chemical plants, as well as lower the **risk** of a potentially tragic terrorist attack on one of these plants.

## **Controlling Greenhouse Gases and Maintaining the New Source Review Program**

**Regulating Agency:** EPA

**Citation:** 40 C.F.R. pt. 60

**Authority:** Clean Air Act, 42 U.S.C. Sec. 7411

**Description of Problem:** New Source Review (NSR) is a major clean air program that requires older coal-fired power plants to add the latest anti-pollution machinery whenever they are substantially upgraded. It is estimated that pollution from old coal-powered plants causes roughly 30,000 premature deaths per year. A March 5, 2002, study by the Journal of the American Medical Association concludes that people living in the most heavily polluted metropolitan areas have a 12 percent increased **risk** of dying of lung cancer compared to people in the least polluted areas. This study conclusively links long-term exposure to fine particles of air pollution from coal-fired power plants to an increased risk of dying from lung cancer. Additionally, carbon dioxide is the main contributor to global warming, and the U.S. emits 25 percent of the world's carbon dioxide. As a major producer of this harmful emission, the U.S. must make reducing carbon dioxide emissions a priority.

The current new source review requirements for power plants and industrial boilers do not regulate carbon dioxide emissions. And despite campaign promises to limit carbon dioxide emissions, President Bush's Clear Skies Initiative that claims to curb emissions of sulfur dioxide, nitrogen dioxide, and mercury also fails to include carbon dioxide controls, and would eliminate the NSR program.

**Proposed Solution:** EPA should change the new source review standards to include carbon dioxide controls.

**Estimate of Regulatory Impacts:** Requiring new and modified power plants to reduce carbon dioxide will likely mean an increased cost to industry. However, the costs of regulating this dangerous emission will help offset the enormous costs to human health, environment, and the economy imposed by the emission of gases such as carbon dioxide.

## **Corporate Average Fuel Economy (CAFE) standards**

**Regulating Agency:** NHTSA

**Citation:** 49 C.F.R. pt. 538

**Authority:** Energy Policy and Conservation Act of 1975, 49 U.S.C. Sec. 32901 et. seq.

**Description of Problem:** The CAFE standards, enacted in 1975, dictate the average fuel usage, calculated in miles per gallon (mpg) that passenger cars and light-duty trucks sold in the United States must attain. According to The National Environmental Trust, the law has been remarkably effective in that the average fuel economy of new passenger cars has roughly doubled from 14mpg in the 1970s to 28 mpg today. Gasoline consumption is down roughly 118 million gallons per day from where it would have been in the absence of CAFE standards, an amount equal to approximately 913 million barrels of oil per year, or about the total imported annually from the Persian Gulf. New cars purchased in 1999 use 3.7 billion gallons less gasoline per year than they would in the absence of CAFE standards. The only way to produce a dramatic savings in oil consumption, as witnessed in the 1970s and 80s, is to reinvigorate the CAFE program by meeting higher fuel efficiency standards.

Though the CAFE standards were initially effective, the increased use of light-duty trucks and SUVs for personal use has led to an average fuel efficiency for SUVs, minivans, and pickups of only 17.4 mpg, compared to 28 mpg for new cars.

**Proposed Solution:** NHTSA should pursue changing the CAFE standards to 40 mpg to clean up the air from vehicle emissions while lowering our dependency on oil.

**Estimate of Regulatory Impacts:** The U.S. could save about 1 billion barrels of oil annually by raising CAFE standards over a ten-year period to a technologically feasible 40 mpg for the entire fleet of new cars and light trucks.

## **HACCP Regulations**

**Regulating Agency:** USDA/FSIS

**Citation:** Pathogen Reduction; Hazard Analysis and Critical Control Point (HACCP) Systems, 60 Fed. Reg. 6774

**Authority:** Federal Food, Drug, and Cosmetic Act, 21 U.S.C. Sec. 603(a)

**Description of Problem:** A recent decision in the Fifth Circuit Court of Appeals, *Supreme Beef v. USDA*, concluded that the USDA did not have authority to close ground beef plants that fail to meet government standards for *Salmonella* contamination. This decision removes an important enforcement tool to close down ground beef plants that repeatedly violate government *Salmonella* limits and leaves USDA without the ability to take prompt action when they know that a plant is producing excessive amounts of contaminated meat.

**Proposed Solution:** The administration should support legislation that would restore USDA's enforcement authority and also would provide clear authority for USDA to set pathogen-reduction standards for other hazards in the meat supply. Without that legislation, USDA inspectors are forced to apply the USDA seal of approval to meat even if it is produced in a plant that continually exceeds the USDA *Salmonella* standard. USDA should also promulgate a rule requiring prominent public dissemination of the names of all plants that repeatedly fail *Salmonella* tests.

**Estimate of Regulatory Impacts:** Though the regulations would have a minimal economic impact on meat producers, they will prevent hundreds of illnesses and many deaths from meat-borne pathogens per year.

**Testing of *E. coli* O157:H7**

**Regulating Agency:** USDA

**Citation:** n/a

**Authority:** Federal Food, Drug, and Cosmetic Act

**Description of Problem:** Since President Bush took office, there have been nearly 30 recalls of ground beef due to contamination with the potentially deadly *E. coli* O157:H7 and more than 73,000 have suffered life-threatening illnesses from *E. coli* poisoning. Industry testing has shown that companies can significantly reduce that hazard during the slaughter process.

**Proposed Solution:** USDA should promulgate regulations to reduce *E. coli* O157:H7 in the slaughter plant. This is a critically needed public-health step and requiring beef plants to test carcasses will document that they are effectively controlling that hazard.

**Estimate of Regulatory Impacts:** Reducing *E. coli* O157:H7 in the slaughter plant will reduce many life threatening illnesses caused each year by this food-borne bacteria.

## **Exposure to Silica**

**Regulating Agency:** DOL/OSHA

**Citation:** n/a

**Authority:** The Occupational Safety and Health Act

**Description of Problem:** According to the American Public Health Association, there were 13,744 deaths in the United States between 1968 and 1990 with silicosis as a primary or contributing cause of death. Silicosis is caused by inhaling silica dust, the most common mineral in the earth's surface. Cases of silicosis still appear in rock drill operators working on surface mines or highways, construction workers who use sand in abrasive blasting, and foundry workers who make sand castings. Silicosis is entirely preventable with the implementation of conventional public health methods including the use of less hazardous materials, dust suppression techniques, improved ventilation, and respirator use. However, due to the under-utilization of these techniques silicosis remains a problem. The National Institute for Occupational Health and Safety has recommended exposure limits that are much lower than those currently existing.

**Proposed Solution:** It is imperative that OSHA quickly approve a standard to protect the thousands of workers affected by this deadly dust.

**Estimate of Regulatory Impacts:** A rule protecting workers from this deadly dust will save thousands of lives and prevent many years of respiratory illnesses.

## **Hexavalent Chromium**

**Regulating Agency:** DOL/OSHA

**Citation:** n/a

**Authority:** The Occupational Safety and Health Act

**Description of Problem:** OSHA estimates that approximately one million workers are exposed to hexavalent chromium, which is used in chrome plating, stainless steel welding, and the production of chromate pigments and dyes. Every year, hundreds of workers will die prematurely of lung cancer because of that exposure. As many as 34 percent of workers could contract lung cancer if exposed for eight hours a day, for 45 years, to hexavalent chromium at OSHA's current exposure limit, according to a study conducted for OSHA in 1995.

Public Citizen performed an analysis of 813 measurements of airborne hexavalent chromium taken by OSHA during agency inspections of workplaces conducted from 1990 to 2000. The results were released in March 2002, showing that for measurements in which hexavalent chromium was detected, median measurements were  $10\text{ug}/\text{m}^3$ , still 20 times higher than the permissible exposure limit (PEL) requested by Public Citizen and Paper, Allied-Industrial, Chemical and Energy Workers International Union (PACE). While 21 percent of measurements exceeded the OSHA PEL, 13 percent were lower than the requested PEL, suggesting that compliance with the lower PEL is possible.

On March 4, 2002, Public Citizen and PACE asked a court to order OSHA to issue a new, safer worker exposure limit for hexavalent chromium. The groups asked the court to find that the agency has unreasonably delayed in responding to their requests that it lower the limit.

**Proposed Solution:** OSHA should take measures to save numerous lives by implementing the lower PEL that has been proven feasible.

**Estimate of Regulatory Impacts:** This regulation will save hundreds of lives of workers exposed to hexavalent chromium.

## **Payment for Personal Protective Equipment (PPE)**

**Regulating Agency:** DOL/OSHA

**Citation:** n/a

**Authority:** The Occupational Safety and Health Act

**Description of Problem:** Some OSHA rules explicitly require that employers pay for safety equipment that employees must wear and others do not. Over the years, OSHA enforced the rules by, in most cases, requiring the employer to pay when the employee was required to use PPE. The courts, however, struck this interpretation down and said employers only had to pay when the rule was explicit.

**Proposed Solution:** OSHA should work on a rule that would require employers to pay for all PPE (with an exception for safety shoes and maybe goggles on the theory that they could be worn outside the workplace).

**Estimate of Regulatory Impacts:**

## **Metalworking Fluids**

**Regulating Agency:** DOL/OSHA

**Citation:** n/a

**Authority:** The Occupational Safety and Health Act

**Description of Problem:** Metalworking fluids include a complex mixture of oils, detergents, lubricants, and other potentially toxic ingredients, and are used mainly for their coolant, lubricating, and corrosion resistant properties during machining operations. Occupational exposure to these fluids can have harmful health effects and according to OSHA have been associated with skin problems such as contact dermatitis, and various respiratory diseases including bronchitis. A number of epidemiological studies have found evidence that exposures to metalworking fluids can cause substantially elevated risk of cancer of the pancreas, bladder, larynx, scrotum and rectum.

The OSHA Standards Advisory Board recommended a rule by an 11-4 vote, and OSHA wrote a rule, but it was later withdrawn. On November 14, 2001, OSHA issued guidance on metalworking fluids, but this is not enforceable. The press release announcing the guidance explicitly states that it is not a new standard or regulation, and it creates no new legal obligations.

**Proposed Solution:** With such serious health implications at risk, it's time OSHA made this guidance mandatory by promulgating a rule protecting workers from metalworking fluids.

**Estimate of Regulatory Impacts:** This rule would save the lives and health of those who work with metalworking fluids.

## **Minimum Staffing Standards for Nursing Homes**

**Regulating Agency:** HHS

**Citation:** n/a

**Authority:** n/a

**Description of Problem:** HHS reports that over 90 percent of nursing homes are understaffed, leading to overworked employees and a lack of adequate care for residents.

**Proposed Solution:** HHS should implement a rule to provide minimum staffing standards for Medicare/Medicaid facilities, such as those proposed by the National Citizen's Coalition for Nursing Home Reform, which call for nursing home residents to receive at least 4.13 hours of direct nursing care each day.

**Estimate of Regulatory Impacts:** The cost of hiring more employees to adequately staff nursing homes will be offset by the increase in service to the residents, and the reduction in workplace injuries placed on overworked employees.