

## U.S. Department of Labor

Assistant Secretary for Policy  
Washington D C 2021 0

MAY 2 2002

Mr. John Morrall  
Office of Information and Regulatory Affairs  
Office of Management and Budget  
New Executive Office Building, Room 10235  
725 17<sup>th</sup> Street, N.W.,  
Washington, D.C. 20503

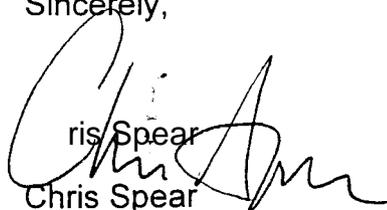
Dear Mr. Morrall:

The Department of Labor is pleased to comment on the Office of Management and Budget's (OMB) draft 2002 "Report to Congress on the Costs and Benefits of Federal Regulations."

The Department believes OMB's past reports as well as the current draft provide a valuable service by educating the Executive branch, Congress, and the public about the scope of federal regulations and their impact on our society. These reports, as well as OMB guidance, have helped agencies improve their regulatory decision making and their cost and benefit estimation techniques.

In addition to these general comments, I have included an attachment with some specific comments on the draft report.

Sincerely,

  
Chris Spear

Enclosure

**Department of Labor Comments on  
OMB Draft Report to Congress on the  
Costs and Benefits of Federal Regulations**

P. 6 Executive Summary, item 6

The report states total that regulatory costs are \$520 billion to \$620 billion annually. However, the first paragraph of Chapter 1, states total cost of regulation is comparable to discretionary spending – about \$640 billion in 2001. The language is not clear as to whether discretionary spending was \$640 billion or the cost of regulations was \$640 billion. In any case, it's not clear that the comparison is particularly useful to those who are not knowledgeable about the term "discretionary spending."

P. 7 Third bullet

This language may be dropped in the final report since it refers to a request for public comment. However, if it stays in, some language changes would be useful. It states that guidance documents should be "reformed" through various means. We suggest replacing "reformed" with "revised." Moreover, it's unclear why a guidance document would be revised through notice and comment rulemaking unless the recommendation is to change the guidance to a rule.

P. 9 "markets fail"

It would be helpful to define this term or provide a brief example for noneconomists.

P. 20 Bottom paragraph

We suggest revising the second sentence to read "During the last three years of the Clinton Administration, OMB did not return any rules to agencies for reconsideration."

P. 23 First bullet

We suggest revising the second sentence to read "This analysis should include an assessment of benefits and costs (quantitative and qualitative) and a rigorous analysis of potentially effective and reasonably feasible alternatives." This language tracks the language in the Administrator's September 20, 2001 memo.

P. 23 Second bullet

This should read "OIRA recommends that agencies adopt or adapt the basic informational.."

Should the term "codified" apply to guidelines in the following sentence: "These

standards were recently codified in OMB's government-wide guidelines on information quality.”

P. 30 Prompt letters

We suggest ending the sentence discussing “first five prompt letters” after item (c), and either dropping the last thought or revising it to read “Nonetheless, OIRA may send some prompt letters that policy officials at agencies would prefer not to receive.”

P. 35 First bullet

We suggest adding the intergenerational issue to the 7% real discount issue or as separate issue.

P. 36 First bullet

This should read “the methods to value the benefits of preventing premature death...”

P. 37 First paragraph

We suggest removing “yet” from the sentence “Yet the Bush Administration supports the development of a strong professional staff at OIRA...”

We suggest noting that the decline in rules reviewed by OIRA during the past 10 years could be seen as supporting a reduction in staff, but that increased responsibilities in a variety of areas have more than offset that decline.

P. 42 Mercatus Center

We believe the specific reference to Mercatus is unnecessary. It could be replaced by a comment noting that the wide range in the number of suggestions by commentators for rules that OMB should review.

P. 43 Typo

In next to last sentence, a second “)” is needed after (RCRA).

P. 44 Top paragraph, 5<sup>th</sup> line

The sentence should read: “OIRA’s website also will provide this opportunity.”

## Scientific Advisory Panel

Can OIRA provide more information on the role of the panel? For example, will it be asked to help review specific regulations submitted for OMB review?

### P. 47 State, local and tribal governments

This is admittedly an area of difficulty for agencies. However, rather than just identify complaints, it would have been helpful and perhaps is still possible to solicit recommendations on how agencies can best solicit the views of these entities during rulemaking. For example, is it sufficient for agencies to contact the national associations representing these governments and meet with them as needed? Is it sufficient to post rules on the Internet? Should agencies electronically transmit all rules to the national associations?

✓ { P. 62 Ergonomics rule - Suggest adding in the "Other Information" column a sentence noting that the ergonomics rule was disapproved by Congress and did not go into effect.

✓ P. 109 Social regulation - The text reference to table 1 in Chapter II should be Table 6 as noted in the Source for Table 11 on the next page.

P. 110 Table 11 - The Source for the table cites Footnote 6 as a means of adjusting cost figures. This appears to be an error. Footnote 6 does not provide such a mechanism in this report or in last year's report.

✓ P. 112 Paperwork burden - The second paragraph states "At a future point, OIRA hopes to be able to provide information on the dollar cost of paperwork burden imposed by Federal agencies." On the next page OIRA provides such an estimate.

✓ | P. 131 First bullet - The report implies that OSHA did not monetize benefits for lost workday injuries for the steel erection rule. OSHA used a measure of direct costs of lost workday injuries of \$34,745 per injury and illness. Presumably OIRA feels that direct costs do not fully capture all of the benefits associated with preventing lost workday injuries and illnesses and used a higher estimate.