

# Congress of the United States

Washington, DC 20510

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## REGULATORY MORATORIUM

DOLE, GINGRICH & GOP LEADERS CALL FOR RED TAPE TIME-OUT:  
"HIDDEN TAX" OF FEDERAL REGULATION COSTS AMERICA  
MORE THAN \$500 BILLION PER YEAR

WASHINGTON -- Arguing that the "hidden tax" of "excessive regulation and red tape have imposed an enormous burden on our economy," Republican Congressional Leaders led by incoming Senate Majority Leader Bob Dole and incoming House Speaker Newt Gingrich today urged President Clinton to impose an immediate moratorium on all federal rulemaking.

The letter -- signed by Senators Dole, Trent Lott, Thad Cochran and Don Nickles, and Representatives Gingrich, Dick Armey, Tom DeLay and John Boehner -- urges that the moratorium on new regulations remain in effect for the first 100 days of the 104th Congress, and that the Administration conduct a thorough internal review of current and proposed government regulations, and make recommendations to Congress for eliminating unnecessary red tape.

Private estimates of the cost to the American economy of compliance with all existing regulations range between \$588 billion to \$860 billion per year. During the past 12 months, the Clinton administration has published 67,927 gross pages of notices, proposed rules, and final regulations in the *Federal Register*.

The American people "voted for a smaller and less intrusive government," the Republicans wrote, adding that "we believe this moratorium on new federal regulations would send a clear signal that, working together, we intend to ease the burden of federal overregulation on consumers and businesses that has slowed economic growth and stifled job creation."

The text of the letter follows:

Dear Mr. President,

On November 8th, the American people sent a message to Washington. They voted for a smaller, less intrusive government. We urge you to respond to that message by issuing an Executive Order imposing a moratorium on all federal rulemaking. This moratorium should go into effect immediately and remain in effect for the first 100 days of the next Congress. During the moratorium, agencies should be directed to 1) identify both current and proposed regulations with costs to society that outweigh any expected benefits; 2) recommend actions to eliminate any unnecessary regulatory burden; 3) recommend actions to give state, local, or tribal governments more flexibility to meet federally-imposed responsibilities; and 4) make this information and the analysis supporting it available to Congress.

(more)



The moratorium we are proposing should not apply to all regulations. For example, the proposed moratorium should specifically exempt regulations that would relax a current regulatory burden. Previous moratoriums have exempted several types of regulations including those that 1) are subject to a statutory or judicial deadline; 2) respond to emergencies such as those that pose an imminent danger to human health or safety; or 3) are essential to the enforcement of criminal laws. It is our hope that you will review past exemption categories and use them to guide you in establishing similar standards for purposes of administering this moratorium.

Excessive regulation and red tape have imposed an enormous burden on our economy. Private estimates have projected the combined direct cost of compliance with all existing federal regulations to the private sector and to state and local governments at well over \$500 billion per year. Your own *National Performance Review* observed that the compliance costs imposed by federal regulations on the private sector alone were "at least \$430 billion per year -- 9 percent of our gross domestic product." This hidden tax has pushed up prices for goods and services for American families, and limited the ability of small businessmen and women to create jobs. The Small Business Administration estimates that small businesses in this country spend at least a billion hours a year filling out government forms.

The annual *Unified Agenda of Federal Regulations*, released on November 10, 1994, indicates that the Administration completed 767 regulations during the past six months and is pursuing over 4,300 rulemakings during the next fiscal year. We believe this moratorium on new federal regulations would send a clear signal that, working together, we intend to ease the burden of federal overregulation on consumers and businesses that has slowed economic growth and stifled job creation.

Thank you for your consideration of this request. We look forward to working with you to ensure that regulatory policy works for the American people, not against them.

Respectfully,

Don Sie

Neel Singhal

Shirley Lott

Dick Cheney

Paul Cohen

Tom DeLay

Don Walker

John Boehner