

Bob Dole



NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE MAJORITY LEADER

*FOR IMMEDIATE RELEASE
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REGULATORY REFORM

DOLE SETS RECORD STRAIGHT ON BIPARTISAN REFORM BILL; ADMINISTRATION SHOULD CHECK FACTS BEFORE MUDDYING IMPORTANT DEBATE WITH DISTORTIONS

As I stated on the floor last Thursday, I and other senators, particularly Senators Johnston and Heflin, have been working to craft a bipartisan regulatory reform bill that we can take up tomorrow. Senator Johnston and I placed a discussion draft in the record that incorporated many of the ideas included in various bills. We then worked through last weekend, and are still working, on final text that takes into account comments and suggestions by Democrat and Republican senators to improve the bill.

I must say I was surprised and dismayed, in the middle of these negotiations, to receive a letter last Friday night from the OMB Administrator for Regulatory Affairs threatening a veto of any bill that closely followed the discussion draft.

The timing of this veto threat is not helpful, nor, I suspect, was it intended to be. For one thing, the letter relied on generalizations so bland as to be meaningless. But it also continued a pattern of distortions of the regulatory reform bill which call for a response.

Among the list of complaints in this letter was a description of the bill as containing a "supermandate" -- that is, a requirement to consider costs that would override other statutory goals such as promoting health and safety and protecting the environment. One can debate the merits of a supermandate, but it is irrelevant to this bill. The text of the bill makes clear that it is intended to (and I quote) "supplement, and not supersede" other laws. This type of staff work does not serve the President well.

But it is not the first time that President Clinton's rhetorical embrace of regulatory reform has been undermined by his own handpicked officials publicly attacking any meaningful attempt to enact such reforms. One example stands out because it is an example both of the distortions at play in this debate and, ironically, of the value of the reforms we propose.

At various times, the present administrator of EPA has stated that cost-benefit analysis requirements would have prevented a rule getting lead out of gasoline and consigning a generation to lead poisoning. This is false.

In fact, EPA refused to do a cost-benefit analysis initially in 1982 when a rule on lead phase-out was being considered. However, after a cost-benefit analysis was performed that showed the social benefits outweighed the costs of a quick phaseout of lead, EPA issued a new rule in 1984 providing for a quick phaseout of lead. That rule also introduced a new concept -- market-based mechanisms -- that allowed trading in lead permits that sped up the phaseout of lead and reduced the economic costs of the regulation.

Thus, not only has the Administrator gotten her facts wrong, she chose the wrong example. Getting lead out of gasoline occurred precisely because a cost-benefit analysis supported doing so. And that analysis helped produce a regulation to achieve that goal through market-based mechanisms that reduced the economic impact.

Both cost-benefit analysis and market-based mechanisms are at the heart of the reforms we propose. We should have a debate on these important issues, but that debate will not be furthered if President Clinton continues to duck the issue and allow his officials to muddy the debate with arguments that have nothing to do with the bill the Senate will actually consider.

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* Remarks delivered on the Senate floor, at approximately 3:50 PM.