

**Opening Statement of
Senator Susan M. Collins
Chairman, Homeland Security and Governmental Affairs
Committee**

**Nomination Hearing of
Susan E. Dudley
to be
Administrator, Office of Information and Regulatory Affairs
November 13, 2006**

Today, the Committee will consider the nomination of Susan Dudley to be the Administrator of the Office of Information and Regulatory Affairs at the Office of Management and Budget.

With the nominee to lead OIRA before us, this Committee will continue a long-standing debate: when should government regulate and when should the government rely on market forces to produce desirable outcomes. Regulations affect virtually every part of our lives. They make us safer and

healthier. They help keep our air and water clean. They protect consumers from abusive practices.

At the same time, excessive regulations can impose real burdens: from mere inconvenience to significant costs. The government must consider these tradeoffs as it deliberates the need for and extent of regulations. How the government weighs competing interests often depends in part on the methodology used to calculate costs and benefits, on the accuracy of the data that informs decision-makers, and on the way alternative regulatory approaches are developed and compared.

OIRA plays a significant role in the federal rulemaking process. OIRA is one of the alphabet soup of government offices that few people would recognize. Its lack of name recognition, however, contrasts with the impact its work has on the lives of all Americans. The office was created by the

Paperwork Reduction Act of 1980 and has specific statutory responsibilities, such as reviewing the amount of paperwork generated by federal agencies and assessing the costs and benefits of federal rules.

For the past 25 years, OIRA has also been responsible for reviewing the substance of proposed and final rules *before* agencies publish them in the *Federal Register*. OIRA's staff thus plays an integral role in the rule-making process. They advise agencies on an informal basis as regulations are developed and formally review proposed rules to ensure that the cost-benefit principles of the executive order have been properly followed.

Let me be clear: technically, OIRA does not approve or reject regulations. Individual agencies must ultimately decide whether to accept OIRA's suggested changes or proceed with publication of the rule as drafted by the agency. But OIRA has

significant influence over the regulatory process. Its officials ask important and sometimes challenging questions: “Is the science behind this regulation sound?” “Do these cost-benefit calculations make sense?” “Is this regulation the best alternative to achieve our goals?”

I am particularly interested in the influence that OIRA has on the development of environmental regulations. The work of the Environmental Protection Agency is vital to the protection of our lakes and rivers and the air we breathe. The regulations that the EPA drafts often involve calculating benefits that can be difficult to quantify. At times, these regulations are based on conflicting data that spark fierce debate in the scientific community.

The president’s nominee, Susan Dudley, has had considerable experience working with OIRA. After earning a Masters degree from the Sloan School of Management at the

Massachusetts Institute of Technology, Ms. Dudley worked for a time with the EPA and then on the staff of OIRA itself. She spent eight years as a consultant doing environmental analysis before joining the Mercatus Center at George Mason University where she served as a Senior Research Fellow and later as Director of the Regulatory Studies Program.

While with the Mercatus Center, Ms. Dudley has filed numerous public comments in regulatory proceedings concerning a broad spectrum of issues. The Committee has examined these comments and numerous other published articles in its consideration of Ms. Dudley's nomination to this important position. I am certain that Committee members will explore many of these writings in some detail today.

I intend to discuss with the nominee some of her comments on safety and environmental standards. I also want to explore her advocacy of "regulatory budgets" to cap the

costs that can be imposed on any one industry as a result of a regulation. Ms. Dudley, your views on these and other matters are important for the Committee to understand as we consider your nomination, and I look forward to exploring these and other issues with you today.

I welcome Ms. Dudley to the Committee.