



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FOR IMMEDIATE RELEASE
September 22, 2003

2003-38

OMB Reports to Congress on Progress in Regulatory Reforms

Washington D.C.—As required by law, OMB today released its Final 2003 Report to Congress on the Costs and Benefits of Federal Regulations and Unfunded Mandates on State, Local, and Tribal Entities. The report updates the Administration's progress on improving regulation, including a summary of agency decisions on 316 specific regulatory reform proposals submitted by the public as part of the 2002 report.

“As the President has said, government has a responsibility to ensure that its regulatory actions are reasonable and affordable. Too often, government regulations and compliance burdens discourage, rather than promote, job creation. The Administration will continue to work to simplify and streamline regulations, along with ensuring that well-intentioned compliance requirements do not have the unintended effect of killing jobs,” said Dr. John Graham, Administrator for the Office of Information and Regulatory Affairs at OMB.

The 316 reform proposals covered regulations, guidance documents and paperwork burdens, with an emphasis on those impacting the small-business sector. Agencies determined that:

- 109 of the nominations are currently under review or had already been addressed by agencies,
- 51 of the nominations were referred to independent agencies, and
- 156 of the nominations warranted further consideration by agencies.

Of the 156 nominations that warranted further consideration, agencies have decided to pursue 45, not to pursue 81 at this time, and to further analyze 30.

The agency decisions reflect a merit-based evaluation based on the criteria of efficiency, fairness and practicality. OMB continues to work with agencies to make sure that each of the nominations receives careful consideration as to whether agency actions are required.

Guidance Included

The Report includes OMB's final regulatory analysis guidance, contained in an OMB Circular. The new guidance takes effect on January 1, 2004, for proposed rules and January 1, 2005, for final rules. It applies primarily to the major federal rules issued each year that have an economic impact of \$100 million per year or more. The guidance strengthens the role of science, engineering, and economics in rulemaking. The goal is a more competent and credible regulatory process and a more consistent regulatory environment, which is good for consumers and businesses.

OMB's circular on regulatory analysis makes the following refinements to existing agency practices:

- more emphasis on cost-effectiveness analysis as well as benefit-cost analysis,
- more systematic evaluation of benefit and cost factors that cannot be quantified or expressed in dollar units (e.g., impacts on privacy and the natural environment),
- more public access to regulatory analysis documents (via agency web sites), and
- more use of formal probability analysis for important rulemakings where the underlying science is uncertain.

In addition to the information on regulatory reform, the Report contains a "regulatory accounting" statement covering the last ten years of major regulatory actions, estimating that these major regulations provided quantified benefits of \$146 billion to \$230 billion annually, and quantified costs of between \$36 billion and \$42 billion annually.

The Report also contains a chapter on homeland security regulation, as well as a chapter on the role of precaution in agency risk assessment and risk management. The report also describes major Federal regulatory actions affecting state, local, and tribal entities during the period October 1, 2001, to September 30, 2002.

The 2003 report can be accessed via the OMB website:

http://www.whitehouse.gov/omb/inforeg/regpol-reports_congress.html

###