



June 30, 2020

The Honorable Rob Portman
448 Russell Senate Office Building
Washington D.C. 20510

The Honorable James Lankford
316 Hart Senate Office Building
Washington D.C. 20510

The Honorable Deb Fischer
454 Russell Senate Office Building
Washington D.C. 20510

Dear Senators Portman, Fischer, and Lankford:

On behalf of National Taxpayers Union (NTU), I write to endorse the Unfunded Mandates Accountability and Transparency Act (S. 4077).¹ Your legislation would make important updates to the Unfunded Mandates Reform Act (UMRA), helping federal agencies avoid issuing regulations that put extraordinary burdens on small businesses and on state and local governments.

According to the Competitive Enterprise Institute's (CEI) annual "Ten Thousand Commandments" report on the federal regulatory state, the "aggregate cost of federal regulation remains more than \$1.9 [trillion] annually," averaging out to \$14,000 per American household.² Several regulations in recent years, such as the Clean Power Plan (CPP) and the "joint employer" rule, received national coverage. For every regulation that receives prominent attention from lawmakers and media, though, dozens more exist in the shadows - even as they place significant burdens and compliance costs on thousands of American businesses and citizens. CEI's report offers just one look at the cumulative impact of the federal regulatory state.

The Unfunded Mandates Accountability and Transparency Act would update and improve the federal regulatory process outlined in UMRA by:

- Explicitly defining what constitutes a "major rule" subject to UMRA requirements;
- Providing an explicit definition of "cost" for agencies' regulatory impact analyses, and including in that definition "any reasonably foreseeable indirect costs, including revenues lost";
- Requiring federal agencies to consider alternatives to any major rule, including alternatives that require *no* action by the federal government and ones that rely on "market-based means" to encourage behavior;

¹ Congress.gov. (Introduced June 25, 2020). "S.4077 - A bill to amend the Unfunded Mandates Reform Act of 1995 to provide for regulatory impact analyses for certain rules, and for other purposes." Retrieved from: <https://www.congress.gov/bill/116th-congress/senate-bill/4077> (Accessed June 29, 2020.)

² Crews, Clyde Wayne. "Ten Thousand Commandments 2020." Competitive Enterprise Institute, May 27, 2020. Retrieved from: <https://cei.org/10kc2020> (Accessed June 29, 2020.)

- Requiring the private sector to be included in agency development of regulations subject to UMRA;
- Giving the Office of Information and Regulatory Affairs (OIRA) the authority to oversee agency compliance with your bill's provisions, and;
- Subjecting private sector mandates to a budget point of order in Congress.

The reforms in the Unfunded Mandates Accountability and Transparency Act should pair well with other deregulatory efforts taking place in both Congress and the Administration. These efforts are particularly critical as policymakers determine how to best help businesses and workers lead America's recovery from the COVID-19 pandemic and economic downturn. Thank you for introducing this important legislation.

Sincerely,

Andrew Lautz
Policy and Government Affairs Manager