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STATEMENT OF MILTON J. SOCOLAR
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BEFORE THE
COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

ON
THE REGULATORY REFORM ACT (S. 1080)

[Views on S. 1080, The Regulatory Reform Act]

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Mr. Chairman and Members of the Committee:

I am pleased to be here today testifying on S. 1080, the proposed Regulatory Reform Act.

The GAO strongly supports the concept of regulatory agencies comprehensively assessing the effects of proposed and existing rules. S. 1080 in our estimation constitutes a marked improvement over previous bills in that it focuses more directly on the central issue of regulatory analysis and provides a better definitional framework. There are, however, a number of specific items which we would like to bring to the Committee's attention.

Sections 2, 3, 4, and 7 of the bill require that agencies prepare detailed analyses of proposed major rules to ensure that projected benefits justify the costs imposed; that agencies review existing major rules every 10 years; and that there be published semiannual regulatory agendas and a regulatory calendar announcing upcoming regulatory proceedings.

The criteria defining a major rule specify as major those rules which have an effect on the economy of \$100 million in compliance costs; those which result in a substantial increase in other costs, or prices, throughout the economy; and those which produce significant adverse economic effects. Certain classes of rules are specifically exempted from this definition. Together with the Regulatory Flexibility Act, the bill captures most situations where major analytical effort should be required. The scope of this coverage, however, may be too inclusive. I understand that the Administration desires authority to exempt pro-

ceedings which provide "regulatory relief." Without such waiver authority, the Administration fears that its deregulation program would be delayed.

For example, the Interstate Commerce Commission has been proposing rules that will reduce its control over surface transportation. The analysis currently being done in conjunction with these rules is less complex than that contemplated by S. 1080. The more complex analysis called for by the bill could well increase the time required to implement these regulatory initiatives.

The Environmental Protection Agency is projecting at least \$200 million in compliance cost savings resulting from pending rule changes designed to provide for greater overall efficiency in the control of air pollution. Detailed analysis as called for by S. 1080 could slow down these initiatives also.

We agree that economic deregulation and other regulatory reforms could be delayed undesirably by being included under the umbrella of this legislation. We also agree that provision should be made to avoid that result. We do not agree, though, that an open ended grant of authority to exempt major rules on an ad hoc basis is the best approach. If waiver authority is to be granted, it should be under clearly specified criteria. Actions that reduce regulatory burdens but which nevertheless might generate significant adverse consequences or substantial cost increases to segments of the population should still be thoroughly analyzed. We suggest, therefore, that waiver of the requirements for detailed regulatory analyses be authorized for rules which diminish the exten-

of regulation imposed, but only where a substantial body of evidence shows a high likelihood of a net gain without serious adverse consequences.

Section 7 seeks to enhance the coordination of agency regulatory actions by requiring that each agency publish a semi-annual agenda of rules under development and that the President or his designee publish a semiannual calendar of major rules under development. This section would legislatively mandate requirements similar to those covered under E.O. 12291 and its predecessor E.O. 12044. The agendas and calendars have been effective tools in coordinating the activities of regulatory agencies with each other and the public.

As requested, we have furnished the Committee a prepublication copy of our report on conflicting and overlapping regulations and the need for regulatory coordination. We did not find significant problems of regulatory conflict and overlap. For the most part the problems can be readily resolved through refinements in the implementation of Executive Order 12291 and the requirements of the bill under consideration.

The criteria in S. 1080 for estimating the costs and benefits of regulations do not explicitly include consideration of the effects attributable to interacting regulatory requirements--those situations where the very compliance with the requirement in one area introduces the necessity for compliance with another set of regulations. Because such effects may not be readily apparent, we would suggest that the Committee consider calling specific attention in its report on the bill to the need for care in this regard.

The Chairman requested that we analyze certain likely impacts of this legislation based on the preliminary results of our ongoing review of the regulatory analysis process. Our estimates of impact should be regarded as tentative.

There is no doubt that regulatory analysis requires a substantial commitment of resources. The cost of doing regulatory impact analysis under existing requirements has varied greatly, as has the quality. At the Environmental Protection Agency, costs per analysis ranged from \$33,000 to \$1.2 million. The range at OSHA was \$40,000 to \$750,000. The Office of Surface Mining of the Department of the Interior spent \$800,000 on one analysis that supported a series of rules. Food and Drug Administration and Consumer Product Safety Commission costs have ranged between \$27,000 and \$130,000.

Since executive branch agencies are already required to do rigorous regulatory analysis under Executive Order 12291, one would think that agencies would incur little additional cost under the provisions of S. 1080. But, because the analytic requirements are somewhat greater and compliance is likely to be better, increased costs should be expected. Independent regulatory agencies exempt under the Executive Order would be covered by this bill. The level of compliance with regulatory analysis requirements prior to Executive Order 12291 was not uniform. Except for inclusion of the independent regulatory agencies under the bill, we cannot state whether the cost impacts of the bill would be significantly greater than under the Executive Order as its implementation proceeds.

Cost increases should be least for those agencies such as EPA which are accustomed to sophisticated regulatory analysis. In analyzing S. 262, a prior regulatory reform bill reported by this Committee, the Congressional Budget Office, prior to the promulgation of E.O. 12291, estimated additional costs for the regulatory agencies at between \$10 and \$20 million. We have no better estimate to offer.

We are not able to project across the board the capacity of agencies to absorb these costs while meeting their other responsibilities. However, it is clear that additional funding will be required by a number of agencies or they will have to reprogram existing budgets.

In addition to cost impact, it must be expected that regulatory analysis adds time to the rulemaking process. The amount of time will depend on the complexity of issues treated and on the way in which agencies are organized to do their analyses. Agencies with adequate analytic capacity to expedite analysis at critical junctures will not experience significant delay in the issuance of rules. Agencies lacking sufficient analytic resources will experience delay. Usually, the time for additional analysis is time well spent. However, delay in the issuance of rules in some cases that are time-critical, such as seasonal marketing rules of the Department of Agriculture, could introduce an undesirable instability in the regulated industries involved. The emergency rule provision in the bill provides for time critical situations.

Just as the projected effects of proposed regulations should be analyzed, so too should the current effects of existing rules be evaluated in the light of experience and changing circumstances. We are concerned, however, that Section 4(a), which requires agencies to review all their major rules every 10 years may be too rigid. This requirement could pose a substantial and even crippling burden on the agencies. Reviews of existing rules as contemplated in this legislation are as complex and costly as the analyses of proposed rules. The National Highway Traffic Safety Administration recently estimated the cost of evaluating one of its rules at \$1.5 million. EPA has completed a recent review of an existing rule at an approximate cost of \$350,000. And no one appears to know how many rules would have to be analyzed; the number could be unmanageable. For example, OSHA has cognizance over thousands of consensus standards. We would, therefore, suggest that some flexibility be added to assure that agencies are not overcome by the rate of review provided in the bill.

At this point, I would emphasize that delay and expense in doing analysis are not just burdens or problems for the agencies. Regulations are designed either to redress or avoid a specific harm, in the public interest. While the regulatory clock is ticking sectors of society and the interest of the public will suffer their own regulatory burden should unwarranted delays encumber the process. Regulatory analysis should not go beyond what is necessary to make informed policy decisions.

Finally, I would like to address an important administrative issue. Proposed Section 553(e) (3) of Title 5 prohibits anyone other than a full time agency employee from preparing regulatory analyses. Other sources can be used for only the gathering of information. This provision may have a substantial negative impact on the ability of agencies to implement the legislation, resulting in worse rather than better regulatory analysis.

There often is not a clean line between the gathering of information and those activities which must be done by full time employees. For example, contractors are now used to project effects using their own models, such as air quality or economic models. Is this data gathering or is it analysis? Whatever it is called, it is frequently essential to the analysis. Also, preparation of an analysis often requires individuals with specific expertise which may not reside in an agency for various reasons. Consultants can be useful in filling these needs. While there is no question but that policy decisions must be firmly in the hands of agency officials, it is my judgment that this provision of the bill will pose problems for the agencies.

In closing, I especially want to commend this Committee for the initiatives it has taken to address the issues associated with the Federal regulatory process.

Appendix

On April 21, 1981, Chairman William Roth asked the GAO to provide the Committee on Government Affairs with the preliminary results of GAO's study on regulatory analysis. Specifically, he requested that we address the following:

1. What is the potential cost of cost-benefit analysis in delay and additional expense to the agencies, including additional expense for outside consultants?
2. To what extent will the proposed bill interfere with President Reagan's program to deregulate the economy, assuming there is no exemption for deregulatory rulemaking proceedings?
3. What will the proposed section mandating a 10 year regulatory review cost agencies in terms of time and expense and to what extent will it distract them from their primary statutory responsibilities?
4. How do agencies develop cost-benefit assessments? What information sources do they rely upon?
5. How well did independent regulatory agencies comply with President Carter's Executive Order (12044) requiring regulatory analysis?

This appendix provides more detailed answers to those questions, which are answered in a more summary fashion in the text of the testimony.

Methodology

Our data have been gathered from eleven different regulatory agencies and executive departments, including the following:

1. U.S. Department of Agriculture (Agriculture Marketing Service; the Agriculture Stabilization and Conservation Service; and the Food Safety and Quality Service).

2. U.S. Department of Commerce (the National Marine Fisheries Service).
3. U.S. Department of Energy (Economic Regulatory Administration; and the Office of Conservation and Renewable Energy).
4. Department of Health and Human Services (Food and Drug Administration).
5. U.S. Department of Labor (Occupational Safety and Health Administration).
6. U.S. Department of the Interior (Office of Surface Mining).
7. U.S. Department of the Transportation (U.S. Coast Guard; and the National Highway Traffic Safety Administration).
8. Environmental Protection Administration.
9. Consumer Product Safety Commission.
10. Federal Communications Commission.
11. Interstate Commerce Commission.

We chose these agencies because the executive agencies have previously done the largest number of regulatory analyses, and we felt that their experience would be most useful in assessing the problems with regulatory analysis likely to be encountered by the agencies for whom regulatory analysis would be required by S. 1080. We interviewed officials in each of these agencies and sought answers to the Committee's questions. We also received copies of three or more of the most recent regulatory analyses done by each regulatory office at which we interviewed. In addition to examining executive agencies, we interviewed officials at three independent agencies to attempt to determine S. 1080's effect on these agencies. Two of these agencies (the ICC and FCC) are not required to perform regulatory analyses, while the CPSC is so required by statute.

Our findings are based upon these interviews and upon our examination of these regulatory analyses. We have not independently corroborated the estimates of administrative costs given us by the agencies.

Administrative Costs

The projection of costs of performing cost-benefit analyses in compliance with the requirements of S. 1080 is inexact but it is nevertheless possible to derive estimates of those costs based on previous analyses which have been required under Executive Order 12044 and 12291. Because there is not enough experience under E.O. 12291, which was issued only last February, the cost figures we have assembled are for the most part analyses pursuant to the previous Executive Order. For the reasons we discuss below, the impact of this legislation will probably be greater.

Our survey has focused on the costs identified and reported by selected agencies for performing regulatory impact analyses under E.O. 12044 during the calendar years 1979 and 1980. Economic impact analyses are not a homogeneous product, and agencies interpreted the requirements variously. Therefore, average cost figures are less meaningful than they would be for more homogenous products.

Most regulatory agencies (independent and executive branch agencies alike) presently utilize analysis as a means of rule development. The rulemaking process involves such functions as product demand estimation, engineering studies which model alternative means of industry compliance, and so on. Clearly, data acquired in the course of rule development is useful in the analysis process. Cost figures reported to GAO reflect the difficulties

encountered in attempting to disaggregate the incremental costs of compliance with E.O. 12044 from other analytic requirements and overall rule development. Agencies have been encouraged to combine various analytic functions, e.g., Regulatory Flexibility Analyses, Environmental Impact Analyses, as well as various analyses required by agency authorization legislation.

Since executive branch agencies are already required to perform regulatory analyses under E.O. 12291, for which guidelines have been issued, they should incur little or no incremental cost for analysis. However, either under E.O. 12291 or under this legislation, those analysis costs will be higher than before because the analytic requirements are greater and OMB now has the authority to enforce compliance. The independent agencies will probably incur increased costs in being required to comply with the analysis requirements of S. 1080, whereas their compliance was both partial and voluntary under the executive orders.

In addition, S. 1080 requires that more explicit consideration be given to the benefits of regulatory actions in relation to costs. Under E.O. 12044 the mandate for most of the regulatory analyses performed by agencies in our survey is given below. Regulatory analyses were required to:

'contain a succinct statement of the problem;
a description of the major alternative ways
of dealing with the problems that were con-
sidered by the agency; an analysis of the
economic consequences of each of these alter-
natives and a detailed explanation of the

natives and a detailed explanation of the reasons for choosing one alternative over the others.' (E.O. 12044, sec. 3(b)(1))

In effect, Executive Order 12044 required a cost-effectiveness analysis of the regulatory alternative chosen by the agency. In contrast, sec. 7 of S. 1080 requires major rules be accompanied by a statement of basis and purpose which includes:

'a description and comparison of the benefits, costs, and adverse effects of the rule; and...a reasonable determination...that the benefits of the rule justify the costs and adverse effects of the rule...'

These are heavier analytic requirements and will probably increase agencies' costs.

We have not attempted to estimate the aggregate impact of the bill in terms of total costs imposed upon agencies. The Congressional Budget Office has responsibility for estimating the cost impact of legislation, but no cost estimates for this legislation have been prepared as yet. Data issued by the CBO in 1980 in conjunction with S. 262, a bill with similar analysis requirements estimated that the additional cost to the government for regulatory analyses and management would be \$10 to \$20 million. Depending on the number of regulations promulgated, this is based on an average cost of \$100,000 per regulatory analysis and \$50,000 per review of existing regulations.

Table 1 below presents our data on the costs of doing regulatory analyses for those analyses on which we have been able to obtain information. We obtained information from each agency on several of their most recent regulatory analyses. Since the process of compliance with E.O. 12044 is an evolutionary one, we believe that the most recent analyses are more representative of agency experience than those performed further into the past.

The cost data below include costs for those staff directly involved in analyzing the regulation, and also overhead costs such as processing the analysis in the agency branch responsible for that regulation, where these data were available and contract costs. In compiling estimates for the costs of regulatory impact analyses, dollar amounts were used when they were provided by agencies. In many cases, agencies provided "staff year" estimates for the cost of regulatory analyses which we converted to dollar amounts.

The estimates below do not include all the costs of regulatory analysis. For example, the costs of reviewing the analysis outside the agency but within the executive department or outside the department at OMB or at other agencies (as part of a RARG review) were not included. We have not estimated costs to statistical agencies of providing data, nor any costs to the private sector of providing data or responding to these analyses. For these reasons, the data below are probably an underestimate of the total costs.

The agencies were able to provide us with only rough subjective judgments of the delays that would be involved. The issue of delay is covered in the statement.

Table 1

Cost Summary for Regulatory Analyses a/
Performed Pursuant to Executive Order 12044

<u>Agency/Office</u>	<u>Average Cost/Reg. Analysis (\$1000)</u>	<u>Number of Analyses</u>	<u>Cost Range (\$1000)</u>	<u>Total Cost (\$1000)</u>
Department of Energy <u>d/</u>				
Natural Gas	617.5	1	-	617.5
Petroleum Allocation	14.6	3	6.8-29.5	43.8
Petroleum Pricing	6.2	7	2.6-10.9	43.4
Department of Commerce <u>d/</u>				
National Marine Fisheries Service	7.7	3	5.5-9.5	23.1
Department of Agriculture <u>d/</u>				
Agricultural Stabilization and Conservation Service	3.9	86	-	361.2
Food Safety and Quality Service	14.6	42	-	613.2
Agricultural Marketing Service	2.5	30	-	75.0
Department of the Interior				
Office of Surface Mining	800.0	1	-	800.0
Department of Health and Human Services				
Food and Drug Administra- tion - completed	27.5 <u>b/</u>	4	-	110.0
Food and Drug Administra- tion - in progress	81.9 <u>b/</u>	6	-	491.5
Consumer Product Safety Commission	130.8 <u>a/</u>	3	113.2-153.9	392.4

<u>Agency/Office</u>	<u>Average Cost/Reg. Analysis (\$1000)</u>	<u>Number of Analyses</u>	<u>Cost Range (\$1000)</u>	<u>Total Cost (\$1000)</u>
Department of Labor				
Occupational Safety and Health Administration	338.0	5	40.-750.0	1690.0
Department of Transportation				
Coast Guard	252.0 <u>a/</u>	1		
NHTSA	71.5 <u>a/,c/</u>	2	66.0-77.0	143.0
Environmental Protection Administration				
Office of Pesticides and Toxic Substances	77.0 <u>a/</u>	3	33.0-132.0	231.0
Office of Planning and Management - Economic Analysis Division	38.0	2	25.0-50.0	75.0
Office of Drinking Water	816.75	2	388.5-1235.0	1633.5

a/ In computing the dollar cost of staff time, we have used the cost of a GAO staff year. Some inaccuracies may be introduced by imputing the same cost of a staff year to each agency, but this bias will not be very great.

b/ These regulatory analyses were developed using data from a contractor report to EPA, financed by the Interagency Regulatory Liaison Group.

c/ One of the NHTSA regulatory analyses costing \$77,000, was performed pursuant to the new E.O. 12291.

d/ Because we were unable to obtain staff year estimates for the analyses performed in USDA, DOE, and DOC, these cost figures do not include costs of agency overhead, although they do include typing costs.

Using the above table, it is possible to estimate different costs for an average regulatory analysis. Table 2 shows three different estimates:

Table 2

Total and Average Cost Estimate for Regulatory Analyses

	<u>Number</u>	<u>Total Cost</u>	<u>Average Cost (\$)</u>
Including all USDA analyses	166	5905.6	\$35,576.0
Including only FSQS from USDA	80	5469.4	\$68,367.5
<u>Not including USDA</u>	<u>38</u>	<u>4856.2</u>	<u>\$127,790</u>

The USDA was a special case since regulatory analyses were performed for all regulations, major and minor, in USDA. These analyses were performed cheaply, often at the cost of a few weeks staff time only. Thus inclusion of USDA may bias our estimate of the cost of an analysis downward. The most representative figure for the cost of an analysis based on our work is probably obtained by excluding data on USDA completely. This figure is approximately \$128,000.

Interference with President Reagan's
Deregulatory Program

This question is addressed in the main body of the testimony.

Regulatory Review

S. 1080 "requires that each major rule that is in effect on the date of enactment of this section shall be reviewed by the agency within 10 years of the date of enactment of this section."

The impact of this provision is difficult to estimate. There are two major pieces of information required in order to judge the impact of this requirement. These are the number of rules to be reviewed, and the costs of a review.

We do not know the number of rules which could be reviewed nor has OMB calculated how many items could be reviewed under this requirement. In part, this is because it is not easy to define exactly what a single major rule consists of in terms of the existing total of regulations. There is no accepted definition of a rule for this purpose because minor rules might be grouped together in order to form a major rule, and the impacts of different regulations vary dramatically.

Under E.O. 12291, the Office of Management and Budget is responsible for monitoring executive agency performance in reviewing currently effective rules. However, because of limited experience at the present time, OMB does not now know how many rules would come up for review under E.O. 12291, although a number of existing rules are already being reviewed. On March 25, 1981, Vice President George Bush, Chairman of the Presidential Task Force on Regulatory Relief, announced a list of 27 major regulations that will be reviewed first. Cost figures on these reviews are not yet available.

Although cost figures for these ongoing reviews are not available at the present time, we have obtained cost figures for some past reviews, that were initiated before the promulgation of E.O. 12291. These figures are given below, and are subject to the same caveats as the cost figures on regulatory analyses. The agency staff years were valued at the cost of a GAO staff year, and thus include overhead. Where contractors performed parts of the reviews, the total contract cost are also added.

Table 3

Cost of Regulatory Reviews of Existing Regulations

<u>Agency/Office</u>	<u>Average Cost/Reg. Analysis (\$1000)</u>	<u>Number of Analyses</u>	<u>Cost Range (\$1000)</u>	<u>Total Cost (\$1000)</u>
Department of Transportation				
National Highway Traffic Safety Administration	1500.0	1	-	1500.0
Environmental Protection Administration				
Office of Drinking Water - completed	350.0	1	-	350.0
Office of Drinking Water - estimated	200.0	1	-	200.0
Department of Health and Human Services				
Food and Drug Administration	118.3 <u>a/</u>	2	-	236.5

a These figures include personnel times which included clerical overhead, and thus should be adjusted downward, but which understated staff contributions of bureau personnel, which would adjust the figures upward.

We can see from this table that reviews of existing regulations will not be inexpensive. The lowest cost figure given for a regulatory review is \$200,000 and other reviews come to much more. These figures are far higher than the \$50,000 figure on which the CBO estimate was based. Because no agency is now in the business of reviewing all its existing rule base, the regulatory review requirement will cost more money, but agencies vary in the extent to which they will be affected.

Some agencies, while not reviewing each single major regulation, have nevertheless begun to review overall regulatory programs. For example, DOE has issued a schedule of review of those parts of the Code of Federal Regulations which apply to it in May 1980. Another example of agency review of a complete program is EPA's Office of Mobile Source Air Pollution Control. Because the Clean Air Act is being considered by Congress, this office is reviewing its operations under the Clean Air Act. However, rather than examining any one particular rule OMSAPC is reviewing the entire thrust of its activities. This approach may be more sensible rather than tying the review to individual regulations, or parts of the Code of Federal Regulations.

In addition to agency program reviews, some particular regulations must be reviewed under individual agency statutory requirements. The major examples of this are the EPA new source performance standards and national ambient air quality standards, which both must be regularly reviewed on a 4 year and 5 year cycle according to the Clean Air Act.

The conclusions we have derived for regulatory analysis in general should also apply to regulatory review. The agencies which are now inexperienced at reviewing their own regulations may experience delays and distraction from statutory responsibilities. However, other agencies are more accustomed to reviewing regulations. For example, NHTSA has an Office of Program Evaluation which has been reviewing NHTSA regulations in the areas of automobile side impact protection, bumpers, and fuel tank integrity. EPA reviews its new source performance standards and NAAQS's regularly as mandated by law.

Sources of Information for Regulatory Analysis

A wide variety of data is necessary to do an adequate regulatory analysis. These data include scientific data, technological data, economic data, and sociological data. Although these data are necessary and desirable to regulate and to analyze regulations, there are several problems with the sources of information for these data.

There are four major problems involved in obtaining information for regulation. First, in many cases the data are not available, or are available only at a prohibitive cost. Although the Federal Government has statistical agencies devoted to data gathering, these data are often not of the same types necessary for regulatory analysis.

Secondly, there is the issue of bias in the information obtained whether it is directly obtained from industry or obtained from consulting firms. The issue of bias has two parts. Industry sources

may misrepresent the facts so as to support regulatory approach which the industry prefers. However, OMB officials do not believe that this is a problem because firms would not risk their long-term credibility. Also, to the extent that information is obtained from consultants, who also have worked for the regulated industry conflict of interest problems have been alleged.

A third issue is the problem of information being considered proprietary by the industry from whom it is desired. For example, the Department of the Interior's Office of Surface Mining (OSM) was unable to obtain industry data on the cost of coal mine recontouring because the industry regarded those data as proprietary. Some pesticide manufacturers have taken the same position on pesticide usage data which EPA feels it needs. This problem is a major constraint on information for regulatory analysis.

Finally, the problem of legislative restrictions (perceived or real) on the gathering of information may serve as a barrier in obtaining accurate data. EPA, for example, has stated that it lacks the legislative authority to gather the data it needs on pesticide usage directly from the industry. GAO, however, has disagreed with EPA's position. 1/ This problem varies by the particular agency or statute involved.

All these problems may significantly impair the ability of regulatory agencies to make informed judgments about the effectiveness of their regulatory programs. In this short survey, however, we were not able to judge the magnitude of each of these problems.

1/ Letter to the Administrator, Environmental Protection Agency, September 30, 1980, (CED-80-145)

We have examined the regulatory analyses which were provided to us by the regulatory agencies which we have examined for this study, in order to determine the sources of information used in the analyses. Based on this examination, it seems that the following classes of sources provide the most information, and in approximately this order:

1. Previous government reports and analyses.
2. Consultants and contractors to government agencies.
3. Direct industry sources and consultants to industry.
4. Scientific literature.

Of course, much of the data generated from government reports and from consultants is taken from industry, but our sources in general do not reveal the ultimate source of the data. Sometimes, the regulatory analyses do not cite the sources of their information, or cite them only partially. To the extent that we have been able to identify sources, we have listed them in the following table. Rather than listing every government document or agency report going into a particular regulatory analysis, we summarized them when there were many under the heading "EPA reports," or "NMFS reports." When industry sources provided data, this was listed under "Industry provided Data" or "Industry cost Data," for example. It was not possible in general to determine to what extent this data was provided at the initiative of the industry, or at the initiative of the regulatory agency. To the extent that individual consultants are listed in our table, these are consultants

TABLE 4

List of Regulatory Analyses and Data Sources

<u>AGENCY</u>	<u>REGULATORY ANALYSIS</u>	<u>DATA SOURCES</u>
CPSC	Power Lawn Mowers	Batelle Columbus Laboratories National Electronic Injury Survey System Trade association journals CPSC model of costs of injuries Consumer's Union American Rental Association Outdoor Power Equipment Industry (Stanford Research Institute)
CPSC	Unvented Gas-Fired Space Heaters	A.T. Kearney, Inc., Management Consultants Industry provided data
CPSC	Cellulose Insulation	A.T. Kearney, Inc., Management Consultants Batelle Columbus Laboratories FEA/DOE reports Department of Commerce data
FDA	Patient Labeling Re- quirements for Drugs	Trade association and professional journals FDA reports CWPS, Council of Economic Advisors, and Health, Education and Welfare publications
FDA	PCB's in Transformers	Putnam, Hayes and Bartlett, Inc. EPA Study USDA/FSQS Study
FDA	Patient Package Inserts	Trade association and professional journals FDA reports Consumer testing Rand Corporation Contract with FDA
DOI/OSM	Permanent Regulatory Program/Surface Mining	Industry and Government publications National Coal Model Engineering cost analysis by D'Appolonia Consulting Engineers, Inc.
EPA/ODW	Trihalomethane Regs.	Industry and public interest groups Culp-Weisner-Culp report

		National Organic Monitoring Surveys Surveys by EPA's Technical Support Division Temple, Barker and Sloane report
EPA/ODW	Underground Injection Wells	A.D. Little Study Booz, Allen, Hamilton, Inc., report Geraghty and Miller, Inc., report Temple, Barker and Sloane, Inc., report
EPA	Motorcycle Noise Reg- ulation	Motorcycle Industry Council Manufacturers EPA reports/tests SAE Sound Levels for Motorcycles U.N. Economic Council for Europe, Vehicle Noise Standards Japanese Noise Regulations Canadian Motor Vehicle Safety Act McDonnell-Douglas Motorcycle Demand Forecast- ing Model
USCG	Tanker Safety	DOC/MARAD reports Operations Research, Inc., report
USCG	Tank Barges	MARAD reports Automation Industries, Inc., report
EPA/OMSAPC	High Altitude Motor Vehicle Standards	Gruen, Gruen and Associates report United Bank of Denver report National Academy of Public Administration report <u>Automotive News</u> 1979, 1980 Market Data Book EPA interviews, surveys
EPA/OMSAPC	Light Duty Diesel Par- ticulate Regulations	Industry data, comments EPA data and publications <u>Automotive News</u> CWPS Comments
EPA/OMSAPC	NPRM Gaseous Emission Regulations, Light Duty Trucks	Industry and trade association comments Federal, state and local agency comments EPA publications and RIA's EPA engineering studies <u>Cost Estimation for Emission Control Related Components: Systems and Cost Methodology Description</u> , Leroy H. Lindgren, Rath and Strong, Inc. Society of Automotive Engineers reports: "Passenger Car and Light Truck Fuel Economy Trends Through 1980"
DOC/NMFS	California-Oregon-	Contractor reports to NMFS--Oregon State Uni-

	Washington Fishery Management Plan	<p>versity: Socio-Economics of the Idaho, Oregon and California Coho and Chinook Salmon Industry</p> <p>Miles, Sherman, Gibbs and Flaherty: <u>Atlas of Marine Use in the North Pacific Region</u></p> <p>Lent and Johnston, "The Marketing of Pacific Northwest Salmon"</p> <p>State Fish and Wildlife Service reports</p> <p>NMFS reports</p>
DOC/NMFS	Alaska Salmon Fishery Management Plan	<p>Gruen, Gruen and Associates: "The Economic Impact of a Humboldt Bay Salmon Release and Recapture Facility"</p> <p>NMFS report</p> <p>Lent and Johnston report</p>
USDA/AMS	Group of 30 RIA's	USDA data, including data from Economics and Statistics Service and Foreign Agriculture Service
USDA/ASCS	Group of 8 RIA's	USDA data, including data from ESS, FAS and data from Universities and Cooperative Extension Service
USDA/FSQS	Net Weight Labelling	USDA's Economics, Statistics and Cooperative Service
USDA/FSQS	PCB's	<p>EPA Data</p> <p>FSQS field inspection data</p>
DOE	Petroleum Products Allocation (PPA) Gasohol	<p>DOE, U.S. National Alcohol Fuels Commission, and Office of Technology Assessment reports</p> <p>Industry newsletters--Platt's <u>Oilgram Price Report</u> and Platt's <u>Oil Regulation Report</u></p> <p><u>Petroleum Marketer</u></p> <p>Press reports--Articles Cited in RA</p> <p>Congressional Statement: Senators McGovern, Lugar, Helms, Talmadge, Stewart; Letter to Washington Post 3/11/80</p> <p>Industry contractor reports--Batelle Columbus Laboratories and Radian Corporation</p>
DOE	PPA--Motor Gasoline	<p>DOE reports</p> <p>FHWA Report</p> <p>Informal industry data--(telephone conversations)</p> <p>Press report--articles in Newspapers cited in RA</p>
DOE	Petroleum Products Pricing (PPP)--Changes	DOE data from Energy Information Administration (EIA)

in Equal Application
Rule for Motor Gasoline

DOE	PPP--Amendment of Equal Application Rule for Refiners and Resellers	DOE data from FIA
DOE	PPP--Gasoline 'Tilt' Rule	DOE reports
DOE	PPP--Resellers and Resellers-Retailers Price Rules for Gasoline	Small Business Administration report DOE reports Concil on Wage and Price Stability and Federal Trade Commission data Industry data, trade association surveys provided during public comment period
DOE	Natural Gas Curtailment Priorities	Consultant reports--Jack Faucett Associates, Stone and Webster Mgt. Consultants, H.Zinder and Associates, Foster Associates Scientific reports DOE and Federal Energy Regulatory Commission reports Industry data provided during public comment Period--TRW Energy Systems Planning Division Report, General Motors Corporation: <u>A Rational Response to the Need for Natural Gas Curtailment</u> Electric Power Research Institute report Scientific reports--R. Turvey: <u>Optimal Pricing and Investment in Electricity Supply</u> , N.C. Telson: "The Economics of Alternative Levels of Reliability for Electric Power Generation Systems"
EPA	NSPS for Coal Fired Power Plants	EPA engineering studies ICF (Contractor) Coal and Electric Utilities Model (CEUM) EPA National Emissions Data System Industry production data
EPA	Steam-Electric Utility Effluent Limitation Guidelines	EPA Development Document for this regulation DOE Inventory of Power Plants <u>Electric World</u> and <u>Electric Week</u> <u>McGraw-Hill Survey of Industry Capital Spending Plans</u> Statistical Yearbook, Edison Electric Institute, 1978 Dow-Jones Index, Standard and Poors Index EPA developed plant simulations

EPA	Preliminary Assessment Visibility Regulations	National Emissions Data System Environmental Research and Technology report CEUM Model ICF report
EPA	Exclusive Use Amend- ments to FIFRA	International Trade Commission reports USDA/Economic Research Service reports Stanford Research Institute report Fortune and Forbes Magazines National Agricultural Chemical Association reports Other Federal agency reports
EPA	Guidelines for Pesticide Registration	Department of Commerce production data Trade association data EPA reports; Council on Environmental Quality and EPA Contractor reports
OSHA	Hearing Conservation Amendment--Final RA	OSHA documents and internal reports Scientific publications Census and BLS publications Center for Policy Alternatives (OSHA cont- ractor report) EPA report
OSHA	Conveyor Standard	Bureau of Labor Statistics, Supplementary Data System Data from Materials Handling Consultants to OSHA
EPA	National Ambient Air Quality Standard--Ozone	National Environmental Data System (NEDS) EPA reports
NHTSA	Amendment to Occupant Crash Protection Std.	Cost/Benefit Study--by Dr. W. Nordhaus, economist, Yale University Automobile Sales Data and Projections pro- vided by industry GM and Ford Surveys, Industry cost data NHTSA Automobile teardown studies Fatal Accident Reporting System (FARS) Highway Safety Research Institute studies

to the agency performing the regulatory analysis. Where industry financed studies by consultants, these are listed under "industry reports" to the extent that the specific study is not given.

Agencies often have a large variety of data bases and information available to them from their own data gathering operations. Since these sources were often not listed in the regulatory analyses, we put them under the headings "DOE data," or "EPA data." The source of these data were not usually given in the analyses.

Compliance with Executive Order 12044
by Independent Regulatory Agencies

Because independent regulatory agencies have not been subject to past executive orders on the subject of regulatory analysis, their compliance with these orders has been strictly voluntary. Our major source of information of the effect of these orders on the independent agencies, in addition to interviews with agency officials, is the OMB report Improving Government Regulation: Current Status and Future Directions, (November 1980).

There are several examples of agency compliance with E.O. 12044. In the area of regulatory review, the FCC, FTC, and SEC have reviewed many of their regulations in order to eliminate unnecessary ones and make compliance easier for small business. Also, the FTC has significantly upgraded its analysis activities. According to OMB, several independent regulatory agencies prepare assessments of proposed regulations that are similar to regulatory analyses. In addition, the Consumer Product Safety Commission has always been subject to a regulatory analysis requirement, and thus would not be affected as much as some of the other independent agencies.

Our interviews with officials of the ICC and FCC made it clear that they viewed S. 1080 as being extremely burdensome. On the other hand, these agencies do informal analyses of regulations already, and are not starting from a position of no analysis or analytic capability.