



Highlights of [GAO-05-939T](#), a testimony before the Subcommittee on Regulatory Affairs, Committee on Government Reform, House of Representatives

Why GAO Did This Study

Federal regulation is a basic tool of government. Agencies issue thousands of rules and regulations each year to achieve goals such as ensuring that workplaces, air travel, and foods are safe; that the nation's air, water and land are not polluted; and that the appropriate amount of taxes are collected. The costs of these regulations are estimated to be in the hundreds of billions of dollars, and the benefits estimates are even higher. Over the past 25 years, a variety of congressional and presidential regulatory reform initiatives have been instituted to refine the federal regulatory process.

This testimony discusses findings from the large number of GAO reports and testimonies prepared at the request of Congress to review the implementation of regulatory reform initiatives. Specifically, GAO discusses common strengths and weaknesses of existing reform initiatives that its work has identified. GAO also addresses some general opportunities to reexamine and refine existing initiatives and the federal regulatory process to make them more effective. GAO's prior reports and testimonies contain a variety of recommendations to improve particular reform initiatives and aspects of the regulatory process.

www.gao.gov/cgi-bin/getrpt?GAO-05-939T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

REGULATORY REFORM

Prior Reviews of Federal Regulatory Process Initiatives Reveal Opportunities for Improvements

What GAO Found

GAO's evaluations of regulatory reform initiatives indicate that some of these initiatives have yielded mixed results. Among the goals of the initiatives are reducing regulatory burden, requiring more rigorous regulatory analysis, and enhancing oversight. The initiatives have been beneficial in a number of ways, but they also were often less effective than anticipated. GAO's reviews suggest at least four overall strengths or benefits associated with existing initiatives: (1) increasing the attention directed to rules and rule making, (2) increasing expectations regarding the analytical support for proposed rules, (3) encouraging and facilitating greater public participation in rule making, and (4) improving the transparency of the rule-making process. On the other hand, at least four recurring reasons help explain why reform initiatives have not been more effective: (1) limited scope and coverage of various requirements, (2) lack of clarity regarding key terms and definitions, (3) uneven implementation of the initiatives' requirements, and (4) a predominant focus on just one part of the regulatory process, agencies' development of rules.

As Congress develops its regulatory reform agenda, the lessons and opportunities identified by GAO's body of work suggest two avenues that might provide a useful starting point. The first would be to broadly revisit the procedures, definitions, exemptions, and other provisions of existing initiatives to determine whether changes are needed to better achieve their goals. As a second avenue to explore, GAO's reviews found that the regulatory process could benefit from more attention to evaluations of existing regulations, although recognizing some of the difficulties associated with carrying out such evaluations. The lessons that could be learned from retrospective reviews could help to keep the regulatory process focused on results and inform future action to meet emerging challenges.

This is a particularly timely point to be reviewing the regulatory process. The long-term fiscal imbalance facing the United States, along with other significant trends and challenges, establishes the case for change and the need to reexamine the base of the federal government and all of its existing programs, policies, functions, and activities. No single approach or reform can address all of the questions and program areas that need to be revisited. However, federal regulation is a critical tool of government, and regulatory programs play a key part in how the federal government addresses many of the country's needs. Therefore, reassessing the regulatory framework must be part of that long-term effort to transform what the federal government does and how it does it.