



Center for Regulatory Effectiveness

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February 22, 2002

The Honorable Mitchell E. Daniels, Jr.
Director
Office of Management and Budget
Eisenhower Executive Office Bldg., Room 252
17th Street & Pennsylvania Avenue, N.W.
Washington, D.C. 20503

Dear Director Daniels:

On behalf of the Center for Regulatory Effectiveness (CRE), I am pleased to transmit the attached report entitled "A Blueprint for OMB Review of Independent Agency Regulations." This report is offered as a public comment pursuant to OMB's expected request for recommendations for reform contained in its 2002 Report to Congress on the Costs and Benefits of Regulations (implementing § 628 of Pub. Law No. 106-58, as extended by § 624 of Pub. Law No. 106-554). The essence of CRE's proposal is that OMB should review and comment on independent agency rules.

CRE makes this recommendation based upon two key findings from OMB's 2001 Report to Congress: (1) the cost of economic regulations, many of which are issued by independent agencies, is upwards to \$230 billion per year, almost identical to the amount imposed by social regulations, and (2) rules issued by independent agencies provided "relatively little quantitative information on the costs and benefits of major rules." (OMB 2001 Report at 3, 32.)

It is important to note that CRE's plan for OMB review of independent agency regulations does not require any new Executive Order or statutory authority. I have been directly involved with federal regulatory review for over three decades; in my opinion, it would be beneficial to have public review of this issue and the recommendations set forth by CRE. To this end, we are posting the report on our website (www.TheCRE.com) and seeking public comment thereon. Similarly, you might seek further comment, as appropriate.

Sincerely,

Jim J. Tozzi

Member, CRE Board of Advisors

Attachment