



The Regulatory Freeze for Jobs Act

While Doing Nothing for the Unemployed, H.R. 4078 Would Make the World More Dangerous For Everyone

The Regulatory Freeze for Jobs Act (H.R. 4078) would impose a moratorium on all "significant regulatory action" until the national unemployment rate falls below six percent. It would block environmental, workplace, public health, financial, and other protections that help protect Americans from unreasonable risks, but would do nothing to help the unemployed.

The Regulatory Freeze Act would prevent significant safeguards from being issued for years, placing the public at risk.

Economists predict that it could be five years before the unemployment rate falls [below six percent](#). In that time, important safeguards on air and water pollution, drugs and medical equipment or food safety would be delayed.

The Regulatory Freeze Act is premised on a false assertion that has been roundly debunked.

Claims that employment and regulations are linked have been discredited by a variety of organizations and individuals such as the [Economic Policy Institute](#), the [Bureau of Labor Statistics](#), [economic analysts](#) and [former administration officials](#). Business economists say that the current regulatory environment is "good" for business. Surveys by the [American Sustainable Business Council](#), [Main Street Alliance](#), [Small Business Majority](#), and [McClatchy/Tribune News Service](#) show that small business owners do not feel regulation is their most pressing problem. In fact, even surveys by the U.S. [Chamber of Commerce and National Federation of Independent Business](#) – who themselves are vehemently against regulation – find that small businesses rank "economic uncertainty" and "poor sales," respectively, as their most important concerns. The proportion of small businesses citing regulations as the single most important problem they face is lower than it was during the Clinton administration, a time of rapid growth in employment.

The housing bubble burst, the financial markets destabilized and the jobs crisis happened because there was too little regulation – not too much.

The 2008 financial crash that threw the economy into a tailspin and led to the [loss of 8 million jobs](#) was a [direct result of insufficient regulation and under-enforcement of rules that were on the books](#).

According to the Financial Crisis Inquiry Commission, "Widespread failures in financial regulation and supervision proved devastating to the stability of the nation's financial markets." The Regulatory Freeze Act would undermine the implementation of financial reforms and increase the risk of future financial crises.

Health, safety, environmental, financial and other regulatory protections make our country stronger and safer for everyone.

The Regulatory Freeze Act would impede any number of crucial safeguards that allow Americans to trust in the products they find at our retailers, the jobs being offered by our employers and the infrastructure and environment which constantly surround us. It would undermine standards and safeguards that industry, as well as the public, support. Here are a few examples of what this bill would block:

- **Implementation of the Food Safety Modernization Act.** This law was passed with support from both industry and consumer groups and should improve the safety of eggs, dairy, seafood,

fruits, vegetables, and many processed and imported foods – but its effective implementation depends on rulemaking. The Food and Drug Administration has proposed a series of implementing rules that establish food safety programs and standards. The outbreak of *Listeria* in cantaloupe and concerns over "pink slime" in school lunches, among other incidents, demonstrate the importance of these rules. Not incidentally, delaying them would also have a significant, harmful economic impact on the agriculture and food industries, including job creation and preservation in those industries.

- **Rules that keep Americans safer at work.** To take only one example, consider the case of beryllium, a toxic substance to which workers in the electronics, nuclear, and metalwork sectors are exposed. The current standard is based on science from the 1950s and allows workers to be exposed at levels higher than those allowed by the Department of Energy for nuclear plant workers. This exposure is associated with lung cancer and other fatal and chronic diseases. Under the Regulatory Freeze Act, the Occupational Safety and Health Act could not move forward with this long-delayed rule and others like it, with deadly consequences for workers.
- **Restrictions on oil speculation that could lower the price of gasoline.** Speculation on the oil commodity markets is likely responsible for 20 percent or more of the price of oil. Even Goldman Sachs suggests that legal speculation may be adding 65-70 cents to the price of a gallon of gasoline. The Dodd-Frank reform law instructed the Commodity Futures Trading Commission (CFTC) to impose position limits on speculators, limiting the portion of the market that could be controlled by individual traders. This rule has not yet been implemented.
- **Updates to pharmaceutical approval standards.** Every five years, Congress reauthorizes the Prescription Drug and User Fee Act (PDUFA), which establishes the framework for Food and Drug Administration approval of new medicines and for the level of user fees to be paid by the industry for FDA review, as well as the Medical Device User Fee Act, which functions similarly for medical devices. Both acts are set to be reauthorized this year. Implementation of this legislation, which historically has been supported by the regulated industries and is formally negotiated with industry, depends on FDA regulation.
- **Stop loss pay for Iraq and Afghanistan veterans.** In 2009, the Retroactive Stop Loss Special Pay Compensation rule was implemented to pay back the debt that we all owe to soldiers who stayed for prolonged periods in Iraq and Afghanistan. This rule pays \$500 per month of stop loss and includes partial months. This is a significant regulatory action that would be caught in the Regulatory Freeze Act net.
- **Family and medical leave for military service personnel.** The Department of Labor is proposing rules to ensure the Family and Medical Leave Act is applied fairly to military service personnel. This regulation would be a significant regulatory action that would be captured by the Regulatory Freeze Act.
- **Bird hunting season.** Every year, the Fish and Wildlife Service analyzes massive amounts of data and public comments to determine the appropriate bird hunting season for each state. The Migratory Bird Hunting: Late Seasons and Bag and Possession Limits for Certain Migratory Game Birds rule tells hunters which birds they can hunt, how many of them they can take, where they can do it, and when the season begins. This is a significant regulatory action that would be blocked by the Regulatory Freeze Act.