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August 21, 2012

**Reaction to the MAPI-NERA Report on the Impact of Regulations**

**On U.S. Manufacturers**

***Economic Studies Show that America’s Regulatory Safeguards***

***Give the U.S. Economy a Competitive Advantage***

Health, safety, environmental, financial, and other safeguards make our country stronger and safer – and the public relies on them. The Clean Air Act, the Safe Drinking Water Act, the Occupational Safety and Health Act, and the Food, Drug, and Cosmetic Act are only a few of the landmark laws that have improved life in America.

* President Barack Obama’s Office of Management and Budget found that the benefits of major federal regulations range from $141 billion to $700 billion, while the costs are between $43.3 billion and $67.3 billion. The Bush White House estimated that from 1997-2007, EPA regulations cost between $32 billion and $35 billion. But the health benefits were between $83 billion and $592 billion, a rate of return of 2.5-to-1 to 16-to-1.
* Economic studies show that America’s regulatory safeguards give the U.S. economy a competitive advantage (see: <http://www.epi.org/files/2011/BriefingPaper305.pdf> and <http://www.whitehouse.gov/sites/default/files/omb/inforeg/2011_cb/2011_cba_report.pdf> )
* A majority of Americans say regulatory safeguards should be preserved (see: http://www.sensiblesafeguards.org/assets/documents/css-lrp-summary.pdf)

QUOTES FROM MEMBERS OF THE COALITION FOR SENSIBLE SAFEGUARDS

“Gross Domestic Product (GDP) has grown by more than $6 trillion since 1998; the cost of regulation has been a tiny fraction of that. One has to wonder why corporate profits are at all-time highs if the cost of regulation has been as great a burden as the MAPI report suggests. And one also ought to wonder how U.S. manufacturers can afford the sky-high cost of CEO pay if regulations are such a burden.  But it is especially objectionable to measure the cost of regulation (however badly and inaccurately) without measuring the benefits of regulation, which have far exceeded the costs, both in dollar terms, in lives saved and in quality of life.”

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“This appears to be another industry lobby piece dressed as a “study” counting the costs of regulation without acknowledging the benefits. Even using industry-friendly analytic tools, the administrations of George W Bush and Barack Obama have both found the benefits of regulation vastly exceed the costs, by a factor of at least two and probably much higher.

“Reporters should ask whether the MAPI-NERA study counts benefits as well as costs, including the benefits to business from, for example, improved transportation fuel efficiency; assesses the job-creating and pro-investment impacts of new regulations (e.g., a rule requiring scrubbers imposes costs on a coal-burning plant but creates jobs and investment for companies that make scrubbers); and identifies specific examples of how regulation reduces manufacturing output, while explaining the fact that employers cite business demand as roughly 100 times more important than regulation in explaining mass layoffs.” (See:  from <http://www.bls.gov/mls/mlsreport1038.pdf>  table 6)

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“The U.S. regulatory system is an *advantage* to U.S. manufacturers – especially those who export.  Because we require our manufacturers to adhere to higher standards, people around the world trust that U.S. products are safe and want to buy them.  Standards give American businesses a competitive advantage in the export market and help keep them at the cutting edge of innovation and technology. ”

– Katherine McFate, President, OMB Watch

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“The preliminary report appears to look at the costs of EPA regulatory safeguards while ignoring the benefits.  This is outrageous.    Would the Washington Nationals consider the cost of an pitcher without looking at whether they were getting Stephen Strasburg or Stephen Colbert?  EPA rules have historically had benefits that are many multiple times the costs. The manufacturers clearly would rather save money and shift the cost on the health of those downstream and downwind.”

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*The Coalition for Sensible Safeguards is an alliance of consumer, small business, labor, scientific, research, good government, faith, community, health, environmental, and public interest groups, as well as concerned individuals, joined in the belief that our country’s system of regulatory safeguards provides a stable framework that secures our quality of life and paves the way for a sound economy that benefits us all. For more information about the coalition, see* [*http://www.sensiblesafeguards.org/about\_us*](http://www.sensiblesafeguards.org/about_us)