



Consumer Federation of America

January 12, 2015

RE: *OPPOSE LEGISLATION ON HOUSE FLOOR TO UNDERMINE CRUCIAL CONSUMER PROTECTIONS: H.R.185*

Dear Representative:

The Regulatory Accountability Act of 2015 (H.R. 185) would handcuff all federal agencies in their efforts to protect consumers. H.R. 185 amends the Administrative Procedures Act (APA) which has guided federal agencies for many decades. Specifically, the RAA would require all agencies, regardless of their statutorily mandated missions, to adopt the least costly rule, without consideration of the impact on public health and safety or the impact on our financial marketplace. As such, the RAA would override important bipartisan laws that have been in effect for years, as well as more recently enacted laws to protect consumers from unfair and deceptive financial services, unsafe food and unsafe consumer products.

For example, such a law would likely have prevented the Federal Reserve from adopting popular credit card rules under the Truth in Lending Act in 2008 that prevented card companies from unjustifiably increasing interest rates and fees on consumers. This is because these far-reaching changes to abusive practices that were widespread in the marketplace were not the “least cost” options that were considered.

The RAA would have a chilling impact on the continued promulgation of important consumer protections. Had it been in effect, for example, the RAA would have severely hampered the implementation of essential and long-standing food safety regulations, such as those requiring companies to prevent contamination of meat and poultry products with deadly foodborne pathogens. In fact, the Centers for Disease Control and Prevention has credited the implementation of regulations prohibiting contamination of ground beef with *E. coli* O157:H7 as one of the factors contributing to the recent success in reducing *E. coli* illnesses among U.S. consumers.¹ But such benefits are impossible to quantify before a rule is enacted.

Further, had the RAA been in effect the necessary child safety protections required by the Consumer Product Safety Improvement Act of 2008 (CPSIA) may have never been implemented. For example, between 2007 and 2011 the Consumer Product Safety Commission recalled 11 million dangerous cribs. These recalls followed 3,584 reports of crib incidents, which resulted in 1,703 injuries and 153 deaths.² As a direct result of the CPSIA, CPSC promulgated an effective mandatory crib standard that requires stronger mattress supports, more durable

¹ http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6022a5.htm?s_cid=mm6022a5_w

² <http://www.consumerfed.org/pdfs/crib-standards-press-release-6-28-11.pdf>

hardware, rigorous safety testing, and stopped the manufacture and sale of drop-side cribs. If the RAA were implemented, such a life saving rule could have been delayed for years or never promulgated at all.

The RAA also would add dozens of additional substantive and procedural analyses, as well as judicial review to the rulemaking process for every major rule. It would: expand the kind of rules that must go through a formal rulemaking process; require agencies to determine “indirect costs” without defining the term; require an impossible-to-conduct estimation of a rule’s impact on jobs, economic growth, and innovation while ignoring public health and safety impacts; and expand the powers of OMB’s Office of Information and Regulatory Affairs to throw up numerous rulemaking roadblocks, including requiring them to establish guidelines for conducting cost-benefit analysis. This would further delay or prevent the promulgation of much needed consumer protections.

We urge you to oppose this significant threat to consumer protection, health and safety posed by H.R. 185. If adopted, this proposal would waste federal resources, minimize the ability of federal agencies to do their jobs to protect the public and ultimately harm American consumers.

We strongly urge you to oppose this harmful bill.

Sincerely,

A handwritten signature in black ink that reads "Rachel Weintraub". The signature is written in a cursive, flowing style.

Rachel Weintraub
Legislative Director and General Counsel
Consumer Federation of America