



Consumer Federation of America

July 27, 2015

The Honorable Ron Johnson
Chairman
U.S. Senate Committee on
Homeland Security and Government Affairs
340 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Thomas Carper
Ranking Member
U.S. Senate Committee on
Homeland Security and Government Affairs
344 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Johnson and Ranking Member Carper:

Consumer Federation of America strongly opposes S.1607, the Independent Agency Regulatory Analysis Act of 2015. This bill would undercut the ability of independent federal agencies like the Consumer Financial Protection Bureau (CFPB), the Consumer Product Safety Commission (CPSC) and the Federal Trade Commission (FTC) to protect consumers from predatory financial schemes, dangerous consumer products and costly, anti-competitive practices. Before marking-up of this bill, we urge you to conduct a legislative hearing to thoroughly exam the effect of the bill on the many crucial consumer protection efforts that independent agencies are currently undertaking.

Most significantly for consumers, S. 1607 imposes duplicative and time-consuming requirements on independent agencies to conduct cost-benefit analyses of proposed protections. The Dodd-Frank Act already requires the CFPB to perform a cost-benefit analysis of all proposed rules, consider the effects of rules on small financial institutions and rural consumers, and conduct a lengthy assessment of the impact of rules on small businesses (under the Small Business Regulatory Enforcement Fairness Act). The Magnusson-Moss Act already requires the FTC to meet extraordinarily burdensome rulemaking requirements that can require the agency to take a decade to finalize a rule. The CPSC is already required to conduct cost-benefit analysis for many of its rulemaking proceedings. In fact, the CPSC's inability to promulgate mandatory standards that would effectively protect consumers from product hazards led to the passage of the Consumer Product Safety Improvement Act (CPSIA) in 2008.

This bill authorizes the President to issue an executive order requiring independent agencies to conduct additional cost-benefit analyses. Such burdensome requirements will simply undermine the ability of agencies like the CFPB, the FTC and the CPSC to fulfill their consumer protection missions in a timely and effective fashion.

S. 1607 would also undermine the independence of these agencies to act on behalf of consumers by requiring the Office of Information and Regulatory Affairs (OIRA) of the Office of Management and Budget to conduct a detailed review of regulatory analysis submitted by independent agencies. Congress establishes independent agencies in order to insulate them from undue political pressure from an Administration, whether Republican or Democratic. This

measure would single-handedly eliminate that independence and hand opponents of consumer protections another tool that they can use to stop or delay urgently needed protections.

The federal rulemaking process is already lengthy and subject to undue influence by powerful special interests with prominent political patrons. S. 1607 will make it even more arduous for independent agencies to propose and implement necessary consumer protection measures, while giving opponents of such reforms another way to derail them. The end result will likely be harm to American consumers. We urge your opposition to S. 1607.

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

Cc: Members of the U.S. Senate Committee on Homeland Security and Government Affairs