Opening Statement of the Honorable Cliff Stearns
Chairman, Subcommittee on Oversight and Investigations
"Regulatory Reform Series #8 – Private Sector Views of the Regulatory Climate One Year After Executive Order 13563"
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(As Prepared for Delivery)

We convene the eighth in a series of subcommittee hearings since last January to address the administration's approach to regulatory reform.

Today, we will receive testimony from several private sector witnesses. No one understands better than they do how the regulatory climate at present impacts their day-to-day operations and future business planning, including opportunities for economic growth and job creation.

In fact, according to a GALLUP poll released yesterday, nearly half of U.S. small-business owners who aren't hiring point to potential healthcare costs and government regulations as reasons.

FactCheck.org, a project of the Annenberg Public Policy Center of the University of Pennsylvania, citing numbers provided to Congress in 2011 by the Office of Information and Regulatory Affairs (OIRA), reports that the estimated cost of federal regulations under Obama from the time he took office to the end of the 2010 fiscal year, not including regulations issued by the independent regulatory agencies, was somewhere between $8 billion and $16.5 billion. During the same initial stretch under President Bush, the estimated cost of new regulations was between $1.3 billion and $3.4 billion. (All figures adjusted for inflation).

President Obama's Executive Order 13563, issued just over one year ago, affirmed, among other things that agencies must adopt only those regulatory actions whose benefits justify its costs and are tailored to impose the least burden on society. It also called on agencies to review significant regulations already in place. As the President observed in a January 18, 2011 op-ed in the *Wall Street Journal*, "sometimes, those rules have gotten out of balance, placing unreasonable burdens on business – burdens that have stifled innovation and have had a chilling effect on growth and jobs."

Yet, while some very outdated rules might be eventually cut back or eliminated, the Obama Administration is doing very little to counter the ongoing regulatory juggernaut of the Environmental Protection Agency or address the

thousands of pages of bureaucratic burdens released so far to implement a massive takeover of health care and the controversial financial reform bill.

From industrial giants to small business start-ups, our nation's job creators are still sitting on trillions of dollars in capital, in part because they are concerned with the number and burden of regulations issued or proposed by the Obama administration, all of which are adding uncertainty to the oppressive regulatory environment.

For example, the Federal Deposit Insurance Corporation, in its annual summary of deposits as of June 30, 2011, confirmed that across the country, deposits shot up 7 percent, to $8.25 trillion from 2010 to 2011, outpacing the 2 percent deposit growth that occurred between 2009 and 2010.

However, it is more than excessive and unclear regulation that the private sector must cope with. It is also the perception that federal regulators have an unhealthy suspicion toward the business community and/or are clueless to the real world impacts of their rules.

We have before us today several representatives of American businesses, from across the country and reflecting a wide range of industries. They will confirm that, one year later, we still have a long way to go. They will comment on how the current regulatory climate is affecting their day-to-day operations, including plans for expansion, investment, and hiring.

These witnesses include Andrew Puzder, CEO of CKE Restaurants, Inc., which through its subsidiaries, franchisees and licensees operates several popular fast food chains, including Carl's Jr. and Hardee's. With more than 3,200 restaurant locations, CKE has created 70,000 jobs – 21,000 directly and 49,000 with franchisees. CKE, like many others, today faces the costly burden imposed by compliance with a litany of Obamacare-related rules, as well as other regulations, which threaten to disrupt its role as an engine of economic growth.

We will also hear from Kimber Shoop, a Senior Environmental Attorney with the Oklahoma Gas and Electric Company; Bob Luoto, President of Cross and Crown Inc., a logging business he founded, working primarily in northwestern Oregon; and Barbara Walz, Senior Vice President for Policy and Environmental with Tri-State Generation and Transmission Association, Inc., a wholesale electric power supplier to Colorado, Nebraska, New Mexico and Wyoming.

These witnesses will convey the message that even now, over one year after the President launched his regulatory reform initiative with great fanfare, their experience with the federal regulatory state has continued largely unchanged, with little if any sign of relief. I hope that today's hearing, and our hearing series cumulatively, will move us one step closer to producing that much-needed relief for America's job creators.