

June 21, 2018

The Hon. Neomi Rao  
Administrator  
The Office of Management and Budget  
725 17<sup>th</sup> Street, Northwest  
Washington, DC 20503

Dear Administrator Rao,

The public relies on smart regulations to set clear rules that support a clean environment, safe workplaces, and a better quality of life. At the same time, every regulation comes with a price tag, and those costs matter – especially to small businesses and local communities. Cost-benefit analysis, although not perfect, is the best tool agencies have available to them to ensure that regulations promote the public good and do more good than harm.

We believe the time has come for EPA to reexamine its statutory interpretations, and unless prohibited by statute, implement its regulatory statutes through cost-benefit balancing. Agencies must prepare cost-benefit analyses to support their most significant regulations, and to the extent permitted by law, not regulate unless the benefits justify the costs and the selected regulatory option maximizes net benefits to society.

In our view, agencies also should apply the basic tenets of good government process when they create new regulations, or amend or even rescind old ones. First, the regulatory process must be transparent and inclusive of public input. Second, agencies should use the best available science and should clearly identify areas in which meaningful uncertainties remain. Third, agencies should be accountable to Congress and the public for the quality of their rulemaking.

The benefits of regulation are often diffuse to society while the burdens of regulation are concentrated. It is therefore critical that the parties who are impacted by regulations – in particular small and medium-sized businesses – have a seat at the table when agencies write them. It is equally important that agencies develop meaningful cost estimates, based on solid and unbiased scientific information, to help the agency and the public understand the trade-offs being considered and to identify smarter alternatives where available.

Reliance on balanced peer review and scientific advisory panels when evaluating rules helps agencies ensure that outdated, partial, or flawed studies do not influence our public policies. This approach leverages public accountability to prevent backroom negotiations, partisan rulemaking, and overly bureaucratic decisions that may otherwise lead to confusion and distrust of government. Open and honest regulatory processes are easy for public stakeholders to understand and engage with.

We encourage you to implement good government practices that improve the lives of Americans without leaving anyone behind. Demanding transparency, applying the best available science and analysis, and promoting accountability will make our regulatory process fairer while acting as a safeguard against political agendas. Businesses are more likely to hire when they know what to expect, and these basic principles strengthen certainty in the marketplace. These principles also help ensure that an administration of either party does not abuse its authority by issuing poorly-considered rules or gutting necessary protections.

In the days ahead, we look forward to working with you to do the right thing for Americans—and for the future of the most dynamic, innovative economy in the world.

Sincerely,

Air Conditioning Contractors of America (ACCA)  
Air-Conditioning, Heating & Refrigeration Institute  
Alaska Chamber  
Alliance of Wyoming Manufacturers  
American Chemistry Council  
American Cleaning Institute  
American Coatings Association, Inc.  
American Coke and Coal Chemicals Institute  
American Composites Manufacturers Association  
American Farm Bureau Federation  
American Forest & Paper Association  
American Frozen Food Institute  
American Sportfishing Association  
American Wire Producers Association  
American Wood Council  
AMT - The Association For Manufacturing Technology  
Arkansas Environmental Federation  
Associated Equipment Distributors  
Associated Industries of Florida  
Associated Industries of Missouri  
Association of American Railroads  
Association of Equipment Manufacturers  
Association of Home Appliance Manufacturers (AHAM)  
Association of Washington Business  
Brick Industry Association  
Color Pigments Manufacturers Association  
Colorado Association of Commerce & Industry  
Council of Industry of Southeastern New York  
Dental Trade Alliance  
Edison Electric Institute  
Environmental Federation of Oklahoma  
Fire and Emergency Manufacturers and Services Association  
Fire Apparatus Manufacturers' Association  
Georgia Association of Manufacturers  
Global Cold Chain Alliance  
Household & Commercial Products Association  
Illinois Manufacturers' Association  
INDA, The Association of the Nonwoven Fabrics Industry  
Independent Lubricant Manufacturers Association  
Independent Petroleum Association of America  
Industrial Minerals Association - North America  
Institute of Makers of Explosives  
Interlocking Concrete Pavement Institute  
International Association of Plastics Distribution

International Wood Products Association  
Iowa Association of Business and Industry  
Jackson Area Manufacturers Association  
Louisiana Association of Business and Industry  
Maine State Chamber of Commerce  
Manufacturers Alliance for Productivity and Innovation  
Maryland Chamber of Commerce  
Metals Service Center Institute  
Michigan Manufacturers Association  
Minnesota Chamber of Commerce  
Missouri Association of Manufacturers  
Mississippi Manufacturers Association  
NAHAD - The Association for Hose and Hose Accessories Distribution  
National Association of Manufacturers  
National Association of Trailer Manufacturers  
National Lumber and Building Material Dealers Association  
National Marine Manufacturers Association  
National Mining Association  
National Oilseed Processors Association  
National Precast Concrete Association  
National Rural Electric Cooperative Association  
National Waste & Recycling Association  
National Wooden Pallet and Container Association  
Nebraska Chamber of Commerce & Industry  
New Jersey Business & Industry Association  
New Mexico Business Coalition (NMBC)  
Non-Ferrous Founders' Society  
North American Association of Food Equipment Manufacturers (NAFEM)  
North Carolina Chamber  
Northeast PA Manufacturers & Employers Association  
Ohio Manufacturers' Association  
Oregon Business & Industry Association  
Pennsylvania Manufacturers' Association  
Petroleum Equipment Institute  
Plastic Pipe and Fittings Association  
Plastics Industry Association  
Plastics Pipe Institute  
Railway Tie Association  
Resilient Floor Covering Institute  
Rhode Island Manufacturers Association  
Society of Chemical Manufacturers & Affiliates  
South Carolina Chamber of Commerce  
State Chamber of Oklahoma  
Tennessee Chamber of Commerce & Industry  
Texas Association of Manufacturers  
Textile Care Allied Trades Association  
The Adhesive and Sealant Council  
The Fertilizer Institute  
The Hardwood Federation  
The Technology and Manufacturing Association  
Treated Wood Council

Truck Trailer Manufacturers Association Inc.  
Valley Industrial Association  
Vinyl Institute  
Virginia Manufacturers Association  
West Virginia Manufacturers Association  
Wisconsin Manufacturers & Commerce  
Wood Machinery Manufacturers of America