



**ConsumersUnion®**



**U.S. PIRG**  
Federation of  
State PIRGs



**NCLC®**  
NATIONAL  
CONSUMER  
LAW  
CENTER®  
Advancing Fairness  
in the Marketplace for All



September 13, 2012

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

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

Dear Chairman Lieberman and Ranking Member Collins:

The undersigned national consumer protection organizations strongly oppose S. 3468, the Independent Agency Regulatory Analysis Act of 2012. **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 considering a mark-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.

Our organizations have previously expressed detailed concerns about this bill in a [letter](#) from over 50 public interest organizations and academics. **Most significantly for consumers, S. 3468 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).

This bill authorizes the President to issue an executive order requiring the CFPB and other independent agencies to conduct 13 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. 3468 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 significant policies (not just rules) proposed 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 special interests 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. 3468 will make it even more arduous for independent agencies to propose and implement necessary consumer protection measures, while giving deep-pocketed opponents of such reforms another way to derail them.** The end result will likely be harm to American consumers.

Sincerely,

Travis Plunkett  
Legislative Director  
Consumer Federation of America

Rachel Weintraub  
Director of Product Safety and Senior Counsel  
Consumer Federation of America

Ellen Bloom  
Senior Director of Federal Policy  
Consumers Union

Ira Rheingold  
Executive Director  
National Association of Consumer Advocates

Gary Kalman  
Director of Federal Policy  
Center for Responsible Lending

Sally Greenberg  
Executive Director  
National Consumer League

Edmund Mierzwinski  
Consumer Program Director  
U.S. PIRG

Nasima Hossain  
Public Health Advocate  
U.S. PIRG

Lauren Saunders  
Managing Attorney  
National Consumer Law Center

Lisa Gilbert  
Acting Director  
Public Citizen's Congress Watch

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