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4 MARKUP OF H.R. 527, THE SMALL BUSINESS REGULATORY FLEXIBILITY

5 IMPROVEMENTS ACT OF 2015

6 Tuesday, January 27, 2015

7 House of Representatives

8 Committee on the Judiciary

9 Washington, D.C.

10 The committee met, pursuant to call, at 2:44 p.m., in

11 Room 2141, Rayburn Office Building, Hon. Bob Goodlatte

12 [chairman of the committee] presiding.

13 Present: Representatives Goodlatte, Smith, Chabot,

14 Issa, Forbes, King, Franks, Gohmert, Jordan, Chaffetz, Gowdy,

15 Labrador, Farenthold, Collins, DeSantis, Walters, Buck,

16 Ratcliffe, Trott, Bishop, Conyers, Nadler, Lofgren, Johnson,

17 Pierluisi, Chu, Richmond, DelBene, Jeffries, Cicilline, and

18 Peters.

19 Staff present: Shelly Husband, Majority Staff Director;

20 Branden Ritchie, Deputy Staff Director/Chief Counsel; Allison

21 Halataei, Parliamentarian and General Counsel; Daniel Flores,

22 Counsel; Kelsey Deterding, Majority Clerk; Perry Apelbaum,

23 Minority Staff Director; Danielle Brown, Parliamentarian;

24 Slade Bond, Minority Counsel; and Maggie Lopatin, Minority

25 Clerk.

26

27 Chairman Goodlatte. Good afternoon. The Judiciary
28 Committee will come to order, and without objection, the
29 chair is authorized to declare a recess at any time.
30 Pursuant to notice, I now call up H.R. 527 for purposes
31 of markup and move that the committee report the bill
32 favorably to the House. The clerk will report the bill.
33 Ms. Deterding. H.R. 527, to amend Chapter 6 of Title 5,
34 United States Code, commonly known as the Regulatory
35 Flexibility Act, to ensure complete analysis of potential
36 impacts on small entities of rules and for other purposes.
37 Chairman Goodlatte. Without objection, the bill is
38 considered as read and open for amendment at any point.
39 [The information follows:]
40

41 Chairman Goodlatte. And I will begin by recognizing
42 myself for an opening statement.
43 I want to thank my esteemed Judiciary Committee
44 colleague and Small Business Committee chairman, Steve
45 Chabot, for his introduction of this important bipartisan
46 bill. This is urgently needed legislation that passed the
47 House 3 times during the last two Congresses, only to be
48 obstructed by the Senate. I am optimistic that this term it
49 will be considered and passed by both chambers of Congress
50 and presented to the President for his signature.
51 Poll after poll has demonstrated that the level of
52 Federal regulation coming from Washington is at the top of
53 the list of obstacles faced by America's small businesses,
54 our top job creators. Congress can and should act to free
55 small businesses of the burdens and waste associated with
56 excessive Federal regulations so that more jobs will be
57 available to Americans trying to make a better life for
58 themselves and their families. Simply put, we cannot escape
59 from America's virtual jobs depression until we help
60 America's small businesses escape from unnecessary hurdles to
61 the creation of new jobs. That is why prompt passage of this
62 legislation is so important.

63 The Small Business Regulatory Flexibility Improvements
64 Act will, for the first time in nearly 20 years, overhaul the
65 laws that govern how Federal regulators should consider and
66 minimize the adverse impacts of new regulations on small
67 businesses. Primarily, the bill reinforces the Regulatory
68 Flexibility Act of 1980 and the Small Business Regulatory
69 Enforcement Fairness Act of 1996. It only requires agencies
70 to do what current law tries to achieve and what common sense
71 dictates should be done.
72 But current law is beset by loopholes, and those
73 loopholes must be closed. That is what the Small Business
74 Regulatory Flexibility Improvements Act at long last does.
75 This bill is a timely and logical step to protect small
76 businesses from overregulation. It recognizes that economic
77 growth ultimately depends on job creators, not regulators.
78 The bill represents a critical means to convert that
79 recognition into reality, and I urge all members to support
80 its passage.
81 And it is now my pleasure to recognize the ranking
82 member of the committee, the gentleman from Michigan, Mr.
83 Conyers, for his opening statement.
84 Mr. Conyers. Thank you, Chairman Goodlatte. It is with

85 some regret that I announce to my colleagues that under the
86 guise of protecting small businesses from burdensome
87 statutory regulations, this is yet another attempt to, one,
88 prevent regulatory agencies from promulgating regulations
89 that protect the health and safety of Americans; two, it
90 overwhelms regulatory agencies with unnecessary and costly
91 analysis; and, three, gives well-financed businesses and
92 anti-regulatory organizations even more opportunities to
93 thwart the rulemaking process. And it is not embarrassed or
94 deceitful about it. They do it straight out. I mean, it is
95 there for everybody to see and understand.
96 And this explains why the Administration, with respect
97 to similar legislation considered in the 112th Congress,
98 explained in its support of its veto threat that the bill
99 would seriously undermine the ability of agencies to execute
100 their statutory mandates, and impede the ability of agencies
101 to provide the public with basic protections. It also
102 explains why so many organizations are opposed: The AFL-CIO,
103 the American Lung Association, the Consumer Federation of
104 America, Consumers Union, Public Citizens, the United Auto
105 Workers, and the National Women's Law, just to name a few.
106 And so, my other concern about H.R. 527 is that it would

107 jeopardize Americans' health and safety. How? Well, our
108 Federal agencies are charged with promulgating regulations
109 that impact virtually every aspect of our lives, including
110 the air we breathe, the water we drink, the food we eat, the
111 cars we drive, and the toys we give our children. But the
112 far-reaching legislation now before the committee today would
113 undermine the ability of Federal agencies to quickly respond
114 to emergent health and safety concerns.
115 Section 5 of the bill, for example, repeals the
116 authority under current law that allows an agency to waive or
117 delay initial analysis required under the Regulatory
118 Flexibility Act in response to an emergency that makes
119 compliance or timely compliance impractical. In other words,
120 we repeal that section that might be used in an emergency.
121 So if there is a widespread E.coli outbreak or an imminent
122 environmental disaster that could be quickly addressed
123 through regulation, this bill says do not worry, do not rush,
124 let us have the chief counsel for advocacy decide. Because
125 the bill is drafted so broadly, any regulation that has even
126 a speculative indirect effect on small business, even in an
127 emergency, could be delayed by the bill's chokehold.
128 I will ask unanimous consent to put the rest of my

statement in the record, and I urge my colleagues to consider this bill very carefully and support me in opposing it. Thank you, Mr. Chairman.

[The information follows:]

134 Chairman Goodlatte. Thank you, Mr. Conyers. And I now
135 recognize the gentleman from Ohio, the sponsor of this
136 legislation, Mr. Chabot, for his opening statement.
137 Mr. Chabot. Thank you, Mr. Chairman. The Committee on
138 Small Business and the Committee on Judiciary have worked
139 very closely for a long time on this issue, and I want to
140 thank Chairman Goodlatte for his leadership on this bill.
141 Since my esteemed colleague, the ranking member from
142 Michigan, has named some of the entities that are opposed to
143 it, I thought I would just take a minute to name just a few.
144 This is just a smattering of those that are in favor of it:
145 The American Dental Association, the American Farm Bureau
146 Federation, the American Road and Transportation Builders,
147 the American Trucking Association, Associated Builders and
148 Contractors, Consumers Electronics Association, the
149 Independent Community Bankers, as well as the National
150 Federation of Credit Unions, the Dairy Foods Association, the
151 Homebuilders, the National Association of Manufacturers,
152 National Council of Chain Restaurants, the textile
153 organizations, the National Electronic Manufacturers
154 Association, NFIB, the National Federation of Independent
155 Business, which is really kind of the gold standard for

156 representatives of small businesses in this country, the
157 Owner-Operator Independent Drivers, the U.S. Chamber of
158 Commerce, and many, many others. So there are a whole lot of
159 folks that favor this, what I believe is good legislation.
160 As chairman of the Committee on Small Business, I am
161 very glad that we are moving this bill forward today despite
162 the fact that we are starting a little bit late this
163 afternoon. This legislation addresses a goal shared by both
164 Republicans and many Democrats: the need to craft more
165 efficient, less burdensome rules and regulations.
166 It is no secret that small businesses are critical to
167 America's success. They are a means for millions of families
168 to get ahead in life. They employ one out of every two
169 Americans working in the private sector, and create two of
170 every three new private sector jobs. So about 70 percent of
171 every new job that is now created in this country is created
172 by small businesses, and those are the folks that are over
173 burdened with overregulation, and that is what this begins to
174 address.
175 One of the biggest challenges small businesses face is
176 understanding and complying with new regulations. The Small
177 Business Regulatory Flexibility Improvements Act of 2015,

178 this legislation, will modernize the rulemaking process by
179 improving a good governance law that turns 35 years of age
180 this year, the Regulatory Flexibility Act or RFA. The RFA
181 requires agencies to assess the impact of their regulations
182 on small businesses. If the impacts are significant,
183 agencies must consider whether there are alternative
184 approaches that would impose lower burdens on small
185 businesses. In other words, the law requires agencies to
186 consider if there is a more cost effective way for them to
187 achieve their regulatory objective.
188 The problem is that even after congressional amendments
189 and presidential directives, agencies still fail to comply
190 with the RFA's common sense requirements. Hearings held by
191 the Committee on Small Business over the past several years
192 have shown that agencies still are not considering the
193 consequences of their actions on small businesses. More
194 needs to be done to save small businesses real money because
195 Federal regulations are estimated to cost up to $2 trillion
196 annually. Reducing unnecessary regulatory costs allow small
197 businesses to use those resources to expand their businesses
198 and, most importantly, hire new workers.
199 Making smarter, less burdensome rules is a goal of

200 Republicans and, as I said, many Democrats. In 2011,
201 President Obama unequivocally acknowledged that
202 overregulation "stifled innovation and has had a chilling
203 effect on growth and jobs," and wrote that his Administration
204 was "firmly committed to eliminating excessive and
205 unjustified burdens on small businesses by ensuring that
206 regulations are designed with careful consideration of their
207 effects." That was President Obama.
208 I could not agree more, and that is exactly what this
209 bill does. The bill ensures careful consideration of the
210 consequences of rulemaking through the removal of loopholes
211 that agencies have used to avoid compliance with the RFA. It
212 forces agencies to genuinely scrutinize the impacts of their
213 actions on small businesses by requiring them to look at both
214 direct and reasonably foreseeable indirect effects. The bill
215 also levels the regulatory playing field by increasing
216 opportunities for small businesses to provide early input in
217 the rulemaking process.
218 To my colleagues opposed to this bill, let me remind you
219 that nothing in the bill will prevent an agency from issuing
220 a rule, just issuing a rule without understanding its effect
221 on America's most important job creators, small businesses.

222 This bill is identical to legislation the House passed twice
223 last Congress. It includes eight Democratic amendments that
224 the Committee on Small Business adopted in the 112th and
225 113th Congresses, and has strong support from the small
226 business community. I already mentioned a number of those,
227 and there are 10 times the number that I actually named,
228 organizations in favor of this.
229 As chairman of the Committee on Small Business, it is my
230 goal to do everything that our committee can to lift up
231 American working families by helping small businesses
232 flourish. The Small Business Regulatory Flexibility
233 Improvements Act is a bipartisan step, bipartisan maybe not
234 so much on this committee, but overall in the Congress. And
235 it really does help small businesses to flourish, and I urge
236 my colleagues to support the legislation.
237 Chairman Goodlatte. Thank you, Mr. Chabot. I now turn
238 to the ranking member of our Subcommittee on Regulatory
239 Reform, Commercial, and Antitrust Law, the gentleman from
240 Georgia, Mr. Johnson, for his opening statement.
241 Mr. Johnson. Thank you, Mr. Chairman. Mr. Chairman, I
242 ask unanimous consent to enter the following into the record:
243 one, an article by the Center for Progressive Reform on the

244 GAO's scathing report on the SBA Office of Advocacy; number
245 two, a copy of the GAO report titled, "Small Business
246 Administration Office of Advocacy Needs to Improve Controls
247 over Research, Regulatory, and Workforce Planning
248 Activities;" and, three, letters from the Coalition for
249 Sensible Safeguard and the American Sustainable Business
250 Council in opposition to H.R. 527.
251 Chairman Goodlatte. Without objection, they will be
252 made a part of the record.
253 [The information follows:]
254

Mr. Johnson. Thank you, and, Mr. Chairman, I speak in opposition to H.R. 527, the Small Business Regulatory Flexibility Improvements Act. This deceptively-named legislation does not protect small businesses or individuals from government overreach. To the contrary, this legislation protects large corporations from governmental regulations that protect people and small businesses from predatory corporate practices which eliminate competition and which put people's health and safety at risk. I oppose this legislation which would paralyze agency rulemaking through unworkable complex requirements while aggrandizing the powers of the Small Business Administration's Office of Advocacy with broad authority to act as the gatekeeper of our Nation's regulatory system.

H.R. 527 would also allow for large regulated industries to manipulate the regulatory system in their favor, while delaying or blocking critical safeguards for our Nation's food supply, environment, and workforce. That is why the American Sustainable Business Council, a coalition of partner organizations representing over 200,000 businesses and more than 325,000 business professionals, opposes this legislation. This coalition notes that H.R. 527 would erode

the operational capacity of regulatory agencies to do their jobs, allowing for the largest firms to further dominate the marketplace. In other words, H.R. 527 is a thinly-veiled handout to large corporations.

Mr. Chairman, Americans support smart regulation across party lines, not deregulation. Over 70 percent of Americans support strong rules to ensure an open internet. By a two-to-one margin, Americans across the political spectrum support rules to address climate change by limiting emissions from coal-fired power plants. 60 percent of Americans support strict regulation of financial institutions, tougher enforcement, and remain deeply concerned about dangerous financial practices. These are the same rules in the crosshairs of the radical deregulatory agenda of my Republican colleagues.

Dangerous policies, like H.R. 527, echo the same laissez-faire rhetoric of deregulation that led to the Great Recession. H.R. 527 is more of the same: another handout for the largest corporate interests, another bill designated to deregulate industries instead of promoting actual governance, and designed to deceive Americans through fuzzy math and unfounded rhetoric.

299 Proponents of H.R. 527 claim that the Obama
300 Administration has already issued hundreds of new rules in
301 2015 alone. These claims are grossly misleading or flat-out
302 wrong. The majority's own sources indicate that just 34
303 final rules were published during that period. In many
304 cases, rules issued in 2015 have been largely administrative
305 and minor. For instance, the Federal Aviation Administration
306 has issued rules considering airworthiness directives, while
307 the Coast Guard has issued its routine rules for bridge
308 opening schedules. These are the very rules that undergird
309 our Nation's regulatory system and successful day-to-day
310 operations of the Nation, illustrating the importance of a
311 functional regulatory system.
312 It bears repeating that if H.R. 527 were law, agencies
313 could not issue even minor administrative rules without first
314 following the bill's onerous, complex, and costly analytical
315 requirements. Once this bill passes, if it should pass, it
316 races America back towards an uncivilized badland. But what
317 more can we expect from a party that rejects the findings of
318 the scientific, academic, and policy communities in favor of
319 reckless ideology?
320 Mr. Chairman, we need real solutions to help real

321 people. We need legislation and regulations that protect and
322 promote a civilized society. We need legislation that
323 creates middle class security and opportunity, and we need
324 sensible regulations that protect American families from
325 financial ruin, that encourage competition, that bring
326 predatory financial practices to an end, legislation that
327 brings the United States in conformity with the rest of the
328 industrialized world's employment policies by guaranteeing
329 paid sick and parental leave.
330 According to the Rutger's Center for Women and Work,
331 paid family leave increases wages for women with children
332 while saving the Federal government funds that would
333 otherwise be allocated to assistance programs. Fair wages
334 equal less dependency on government. Is that not what my
335 friends want on the other side, legislation that increases
336 our global competitiveness by creating an affordable
337 higher --
338 Chairman Goodlatte. The gentleman is advised that his
339 time has long expired, and we hope that he can wrap it up.
340 Mr. Johnson. I will. Thank you for bearing with me,
341 Mr. Chairman. Strong evidence from a Department of Education
342 report roundly demonstrates that investing in our education

343 system expands job opportunities. So in other words, we need
344 actual governance that helps the middle class, grows the
345 economy, and promotes international competiveness. And with
346 that, Mr. Chairman, with the hope that we will soon get to
347 that kind of legislation, I will yield back.
348 Chairman Goodlatte. The chair thanks the gentleman.
349 Are there any amendments to H.R. 527?
350 For what purpose does the gentleman from Georgia seek
351 recognition?
352 Mr. Johnson. I have an amendment at the desk.
353 Chairman Goodlatte. The clerk will report the
354 amendment.
355 Ms. Deterding. Amendment to H.R. 527, offered by Mr.
356 Johnson of Georgia, add at the end of the bill the
357 following --
358 Mr. Johnson. Mr. Chairman, I would ask that it be
359 reported as read.
360 Chairman Goodlatte. Without objection, the amendment
361 will be considered as read.
362 [The amendment of Mr. Johnson follows:]
363

364 Chairman Goodlatte. And the gentleman from Georgia is
365 recognized for 5 minutes on his amendment.
366 Mr. Johnson. Thank you, Mr. Chairman. I seek support
367 of my amendment, which would exempt from H.R. 527 all rules
368 that the Office of Management and Budget determines would
369 result in net job creation. Under President Obama, our
370 country has rebounded from the Great Recession, and it is
371 roaring back to life, creating 11 million new jobs over 5
372 years as unemployment is falling at the fastest rate in 3
373 decades. Consumer and business spending have catalyzed the
374 fastest gross domestic product growth since 2003. My
375 amendment would ensure that this meteoric growth and progress
376 continues.
377 Contrary to my Republican colleagues' assertion that
378 regulations kill jobs, a wealth of unimpeachable bipartisan
379 evidence has repeatedly and effectively debunked this claim.
380 The OMB estimated over the last decade that major regulations
381 benefitted the economy between $217 billion and $863 billion
382 a year at a mere cost of $57 to $84 billion. Studies by both
383 the San Francisco and New York Federal Reserve found that
384 there is zero correlation between job growth and regulations,
385 and that there is absolutely no evidence showing that

386 increased regulations and taxes have any effect on the
387 unemployment rate.
388 Any evidence that regulations harm the economy, some
389 absurd figures repeated by the proponents of this bill, which
390 are derived from a study roundly disproven by the nonpartisan
391 Congressional Research Service, which found that the study's
392 cost figures were cherry picked, inaccurate based on evidence
393 from decades ago, and without contemporary value. Indeed,
394 the very authors of this study have since repudiated its use
395 in policy debates because it lacks any consideration of the
396 benefits of regulations which OMB estimates to be in the
397 hundreds of billions of dollars.
398 Alarmingly, but not surprisingly, this study was
399 sponsored by the Small Business Administration's Office of
400 Advocacy, the same entity that H.R. 527 would ordain as the
401 gatekeeper for the Administrative Procedure Act and all
402 rulemaking that has any economic impact, no matter how slight
403 or attenuated that impacted may be.
404 I have also heard my Republican colleagues repeatedly
405 claim that regulations put a $15,000 regulatory burden on
406 every American family. Consequently, the *Washington Post*
407 awarded this claim two Pinocchios. I gave it my own three

408 thumbs down. But the two Pinocchios was on January the 14th,
409 arguing that this absurd figure has serious methodological
410 problems. Even the report admits it is not scientific and is
411 back of the envelope. And we fear that these caveats are
412 being forgotten as it is repeated in Capitol Hill news
413 conferences and then in news reports. Even the president of
414 the U.S. Chamber of Commerce acknowledged that the figures
415 used to generate this number include many necessary
416 regulations that are important for the economy and supported
417 by the chamber.
418 Mr. Chairman, economic job growth is growing at its
419 fastest pace in years on the back of sound economic policy
420 and sensible regulations. Despite this growth, it is clear
421 that many continue to struggle to live comfortably on their
422 income, pay their bills on time, or set aside for retirement.
423 Americans work harder than ever thanks to corporations
424 maximizing profits through a streamlined workforce. The same
425 corporations that are continuing to show record profit
426 margins are also pushing deregulation and fewer taxes,
427 showing what Henry Blodgett, the CEO of *Business Insider* and
428 a former top-ranked financial analyst, calls a "myopic
429 obsession with short-term profits at the expense of long-term

430 value creation."

431 It is also clear that despite this incredible workplace
432 productivity, wages are depressed. Meanwhile, the world's
433 top 1 percent will soon control half of the world's wealth
434 and the compensation of corporate executive balloons ever
435 larger. We need to fix that, and deregulation will not fix
436 that. Last Congress, Republicans blocked Democratic
437 legislation that would increase the Federal minimum wage by
438 less than $3, lifting countless full-time workers out of
439 poverty, while saving the Federal government trillions in
440 annual safety net costs.

441 Fortunately for millions of Americans, minimum wage
442 increases have gone into effect in 20 States this month
443 alone, bringing the minimum wage in 29 States above the
444 Federal minimum wage. Perhaps my Republican colleagues will
445 heed the calls of the workers across the country for a living
446 wage.

447 I ask that my colleagues support my amendment to protect
448 jobs, and I yield back the balance of my time.

449 Chairman Goodlatte. The chair thanks the gentleman and
450 recognizes himself in opposition to the amendment. I share
451 and welcome the gentleman's concerns about the impacts of

452 regulations on jobs, but the right way to address that
453 concern is to join me in supporting this bill. At the heart
454 of the bill are reforms to make sure agencies better identify
455 the potential jobs impacts of new rules. That includes not
456 only identifying and minimizing adverse jobs impacts, but
457 maximizing positive job benefits. And it is right there in
458 Subsection 2(c) on page 3 of the bill.
459 The gentleman's amendment represents the wrong way to
460 address jobs concerns. That is because it would give the
461 executive branch a strong incentive to manipulate its jobs
462 impact analyses to avoid the requirements of the bill rather
463 than comply with them. So I urge my colleagues to oppose the
464 amendment.
465 Mr. Conyers. Mr. Chairman?
466 Chairman Goodlatte. For what purpose does the gentleman
467 from Michigan seek recognition?
468 Mr. Conyers. I rise to support the Johnson --
469 Chairman Goodlatte. The gentleman is recognized for 5
470 minutes.
471 Mr. Conyers. Thank you very much, because it is
472 critical that every member of the committee realize that
473 regulations do not kill jobs. This is something that we

474 should consider because a report from the Bureau of Labor
475 Statistics on January 9th found that 2014 was the best year
476 for job growth since 1999, with nearly 3 million new jobs
477 created, and unemployment has dropped to the lowest since
478 2008 at 5.6 percent. Regulation then has not impeded this
479 recent job growth.
480 Instead of helping to create jobs, I am sorry to report
481 this bill burdens agencies with costly and unnecessary
482 analysis that will waste millions of taxpayer dollars. This
483 amendment, by exempting any rules deemed by the OMB director
484 to result in net job creation, protects rules that are
485 strengthening our economy and creating jobs from the onerous
486 requirements of the bill. Supporters of this bill should be
487 prepared to support a job creation exemption to the
488 legislation. If they do not, their failure to do so would
489 belie their assertion that this bill has anything to do with
490 job creation.
491 And so, I urge support of the Johnson amendment, and I
492 yield back the balance of my time, and thank the chairman.
493 Chairman Goodlatte. For what purpose does the gentleman
494 from California seek recognition?
495 Mr. Issa. Strike the last word.

496 Chairman Goodlatte. The gentleman is recognized for 5
497 minutes.
498 Mr. Issa. Mr. Chairman, we have voted on this bill
499 before. I suspect that many of us will vote the same way.
500 But I would be remiss if I did not ask the gentleman from
501 Georgia, Mr. Johnson, since he cited a number of studies,
502 between now and the time of the floor markup, if you could
503 make some of those specific citings of congressional research
504 available, I would appreciate it.
505 As to the question of the exemption, at least with the
506 information I have, it would appear that the argument of my
507 colleagues is that regulations have created jobs. And, Mr.
508 Conyers, you said it very well. We have had lots of
509 regulations under this Administration, an incredible growth
510 in regulations. And obviously we have got the lowest
511 unemployment we have had in 8 year or 6 years, and there has
512 been wonderful growth.
513 So the idea that we have a regulation on the regulators
514 that will create new jobs by putting to work regulators
515 looking at the regulations by definition should be supported
516 by you. The fact is the argument that regulations create
517 jobs would cause you to want to --

Mr. Nadler. Would the gentleman yield?

Mr. Issa. In a moment. The regulators should want to, in fact, have this kind of regulatory look at regulations. Now, by being a little sarcastic, I say so because it is just common sense that we should be looking as we do at the cost of regulations. There is a requirement, as you know, special requirement if you exceed $100 million and the cost of a regulation. These have been done and looked at under both Republicans and Democratic administrations. This is simply another common sense requirement that the Office of Management and Budget really look at regulations and be responsible.

If there is a regulation that creates a job outside the beltway, I would like to see it. But so far in my years in business, what I found was regulations created overhead at businesses, but never actually created the kinds of jobs that create things, that grow things, that invent things. So I, with the knowledge I have at this time, will not be supporting the amendment. And I would yield to the gentleman from New York.

Mr. Nadler. I am sorry. I am so confounded by your argument that I could not express it.

540 Mr. Issa. I was just going with Mr. Conyers.

541 Mr. Nadler. Yes. I do not think that anyone is saying
542 that regulations create jobs and, therefore, we should have
543 more regulations to create more jobs.

544 Mr. Issa. I think that is what I heard the ranking
545 member say.

546 Mr. Nadler. I do not think that is what he said.
547 Regulations can do all kinds of things. They can save lives.
548 They can make the economy more efficient perhaps depending
549 what they are intended to do. We already have in the law a
550 requirement for cost benefit analysis. The problem with this
551 bill is that it tilts the playing field toward more of a cost
552 analysis without a cost benefit analysis. We already have a
553 cost benefit analysis in our regulations --

554 Mr. Issa. Reclaiming my time. I think the gentleman
555 makes a good point. I just think that he did misinterpret.
556 This is, in fact, a recognition that sometimes there is a
557 balance between not just cost benefit, but also job creation,
558 job destruction. And we are talking about jobs other than
559 complying with the regulations.

560 So as I did hear the former chairman of the full
561 committee, our ranking member, say we have had a growth in

562 regulations, we have had a growth in jobs. Well, I think for
563 many of us who grew up reading Ayn Rand, we realize that we
564 owe the growth in jobs to the private sector who have worked
565 hard, often in spite of a growth in regulations. And I agree
566 with the gentleman from New York. We need to make sure that
567 we do not overlook regulations that are necessary nor
568 implement them without the kind of due diligence that the
569 underlying bill calls for. I thank the gentleman, and I
570 yield back, Mr. Chairman.
571 Mr. Nadler. Mr. Chairman?
572 Chairman Goodlatte. For what purpose does the gentleman
573 from New York seek recognition?
574 Mr. Nadler. Strike the last word.
575 Chairman Goodlatte. The gentleman is recognized for 5
576 minutes.
577 Mr. Nadler. I just want to say a couple of things.
578 First, a 2013 study from the San Francisco Federal Reserve
579 found that there was no correlation between job growth in
580 2008 to 2011, and the increase in the percentage of
581 businesses citing regulations as a primary concern. The
582 results of the study found the opposite to be true. The
583 Mainstream Alliance, an alliance of small businesses,

584 observes, "In survey after survey and interview after
585 interview, mainstream business owners confirm that what we
586 really need is more customers, more demand, not deregulation.
587 The proposition that regulations hamper job growth is a
588 myth."
589 Let me say the following. We need regulations
590 obviously. The fact that we have had more regulations and
591 more employment is not a correlation, and I do not think
592 anyone was intending to say "correlation." But it was
593 intended to say that it destroys the myth, that despite the
594 fact that we had more regulations, we had more jobs. There
595 is no evidence frankly of any connection between the two.
596 Now, we need regulations to protect society, and we
597 ought to do a cost benefit analysis. But the general
598 assumption that regulations cost jobs is just that, an
599 assumption. There is no evidence for it whatsoever. What
600 there is evidence for and what the history of economics shows
601 very clearly is a direct relationship between job growth and
602 aggregate demand in the economy. When there is no aggregate
603 demand, there is no job growth. When there is no aggregate
604 demand, there is job collapse, in fact.
605 And you can chart the demand, the ability of people to

606 have money to spend. 70 percent of aggregate demand in the
607 economy is consumer spending. You can trace that with job
608 growth. And when aggregate demand, when people do not have
609 money to spend, when the mortgages collapse because the
610 bankers misbehave and people do not have money to spend, then
611 you get a job loss, or when there is a collapse for some
612 other reason.

613 When there is demand, whether, by the way, that demand
614 is created by the private sector or by the government sector.
615 World War II conservatives say, to some extent correctly,
616 cured the Depression, not the New Deal. What was World War
617 II from an economic point of view? A huge government
618 spending program, a huge government public works program
619 financed by huge levels of taxation and huge levels of
620 deficit spending. And, yes, it generated tremendous jobs and
621 cured the Depression, the part of the Depression that had not
622 been already cured.

623 We must also note that a healthier workforce, every
624 study shows, is a more productive workforce, and regulations
625 protect health and safety, so we have got to have
626 regulations. I would also say, by the way, that the
627 assertion that under Obama Administration there have been a

628 lot more regulations than under previous administrations also
629 is not pointed out by the statistics.
630 But forgetting that, you have to look at regulations on
631 their own merits. You have to give time to look at them and
632 examine them properly. You have to give the supporters and
633 the opponents proper time and opportunity to be heard. You
634 have to do a cost benefit analysis, but not a one-sided
635 analysis such as this bill would demand. I yield back.
636 Chairman Goodlatte. For what purpose does the gentleman
637 from Ohio seek recognition?
638 Mr. Chabot. Thank you, Mr. Chairman. I will not take
639 the 5 minutes, but just a couple of comments. First of all,
640 this is not a cost benefit bill. It is a cost effective
641 bill. It would help agencies to identify the least costly
642 way for agencies to regulate. And I would like to compliment
643 the gentleman from Georgia's speechwriter, unless he wrote it
644 himself, for coming up with terms like that we are allegedly
645 trying to create uncivilized badlands. It is not accurate,
646 but it is creative, and somewhat catchy.
647 Mr. Johnson. Thank you, sir. That was my own thought.
648 Mr. Chabot. I compliment the gentleman. It is catchy.
649 It was memorable. Not accurate, but memorable. All that the

650 legislation really does is it requires Federal agencies to
651 assess the economic impact, regulations on small businesses,
652 and to measure both the direct economic effects and
653 reasonable foreseeable indirect economic effects of
654 regulations on small businesses, because they are the job
655 generators in the economy nowadays.
656 About 70 percent, as I said before, of the new jobs in
657 this economy are created by small businesses. And why not
658 require the government to do this smarter when you are
659 dealing with these entities, which does not take too much to
660 push them over the edge, and they cease to exist. And then
661 those jobs go away, or other jobs that would have been are
662 never created. So I think we can work on these things down
663 the road. And as I say, it was passed in previous Congresses
664 with some Democratic support.
665 Mr. Conyers. Would the gentleman yield?
666 Mr. Chabot. I would be happy to yield to the gentleman.
667 Mr. Conyers. I am impressed with your logic and
668 rationality. I happen to think that the coalition of 200,000
669 small businesses who oppose this bill, and I am going to put
670 their letter that was addressed to me and Chairman Goodlatte,
671 into the record. They are called the American Sustainable

Business Council Action Fund.

[The information follows:]

675 Mr. Conyers. But for your other colleague, our
676 colleague, Darrell Issa, anybody that read Ayn Rand and then
677 remembered it to this day, and now uses it publicly, I have
678 to forgive him for his mixing fact and fiction. Thank you.
679 [Laughter.]
680 Mr. Chabot. Reclaiming my time, I am sure he
681 appreciates that forgiveness. And relative to those 200,000
682 small businesses, we would love to see that, and we would
683 love to correspond with them. And I would also remind the
684 gentleman that probably the most renowned organization of
685 small businesses, the NFIB, National Federation of
686 Independent Businesses, wholeheartedly supports passage of
687 this legislation. I yield back.
688 Chairman Goodlatte. The question occurs on the
689 amendment offered by the gentleman from Georgia.
690 All those in favor, respond by saying aye.
691 Those opposed, no.
692 In the opinion of the chair, the noes have it. The
693 amendment is not agreed to.
694 Mr. Johnson. Mr. Chairman, I ask for a recorded vote,
695 please.
696 Chairman Goodlatte. A recorded vote is requested, and

the clerk will call the roll.

Ms. Deterding. Mr. Goodlatte?

Chairman Goodlatte. No.

Ms. Deterding. Mr. Goodlatte votes no.

Mr. Sensenbrenner?

[No response.]

Ms. Deterding. Mr. Smith?

[No response.]

Ms. Deterding. Mr. Chabot?

Mr. Chabot. No.

Ms. Deterding. Mr. Chabot votes no.

Mr. Issa?

Mr. Issa. No.

Ms. Deterding. Mr. Issa votes no.

Mr. Forbes?

Mr. Forbes. No.

Ms. Deterding. Mr. Forbes votes no.

Mr. King?

Mr. King. No.

Mr. Deterding. Mr. King votes no.

Mr. Franks?

[No response.]

Ms. Deterding. Mr. Gohmert?

Mr. Gohmert. No.

Ms. Deterding. Mr. Gohmert votes no.

Mr. Jordan?

[No response.]

Ms. Deterding. Mr. Poe?

[No response.]

Ms. Deterding. Mr. Chaffetz?

[No response.]

Ms. Deterding. Mr. Marino?

[No response.]

Ms. Deterding. Mr. Gowdy?

Mr. Gowdy. No.

Ms. Deterding. Mr. Gowdy votes no.

Mr. Labrador?

[No response.]

Ms. Deterding. Mr. Farenthold?

[No response.]

Ms. Deterding. Mr. Collins?

Mr. Collins. No.

Ms. Deterding. Mr. Collins votes no.

[No response.]

Ms. Deterding. Ms. Walters?

Ms. Walters. No.

Ms. Deterding. Ms. Walters votes no.

Mr. Buck?

[No response.]

Ms. Deterding. Mr. Ratcliffe?

Mr. Ratcliffe. No.

Ms. Deterding. Mr. Ratcliffe votes no.

Mr. Trott?

Mr. Trott. No.

Ms. Deterding. Mr. Trott votes no.

Mr. Bishop?

Mr. Bishop. No.

Ms. Deterding. Mr. Bishop votes no.

Mr. Conyers?

Mr. Conyers. Aye.

Ms. Deterding. Mr. Conyers votes aye.

Mr. Nadler?

Mr. Nadler. Aye.

Ms. Deterding. Mr. Nadler votes aye.

Ms. Lofgren?

[No response.]

Ms. Deterding. Ms. Jackson Lee?

[No response.]

Ms. Deterding. Mr. Cohen?

[No response.]

Ms. Deterding. Mr. Johnson?

Mr. Johnson. Aye.

Ms. Deterding. Mr. Johnson votes aye.

Mr. Pierluisi?

Mr. Pierluisi. Aye.

Ms. Deterding. Mr. Pierluisi votes aye.

Ms. Chu?

[No response.]

Ms. Deterding. Mr. Deutch?

[No response.]

Ms. Deterding. Mr. Gutierrez?

[No response.]

Ms. Deterding. Ms. Bass?

[No response.]

Ms. Deterding. Mr. Richmond?

[No response.]

Ms. Deterding. Ms. DelBene?

Ms. DelBene. Aye.

785 Ms. Deterding. Ms. DelBene votes aye.

786 Mr. Jeffries?

787 [No response.]

788 Ms. Deterding. Mr. Cicilline?

789 Mr. Cicilline. Aye.

790 Ms. Deterding. Mr. Cicilline votes aye.

791 Mr. Peters?

792 Mr. Peters. Aye.

793 Ms. Deterding. Mr. Peters votes aye.

794 Chairman Goodlatte. The gentleman from Arizona?

795 Mr. Franks. No.

796 Ms. Deterding. Mr. Franks votes no.

797 Chairman Goodlatte. The gentleman from Ohio?

798 Mr. Jordan. No.

799 Ms. Deterding. Mr. Jordan votes no.

800 Chairman Goodlatte. Has every member voted who wishes

801 to vote? The gentleman from Colorado.

802 Mr. Buck. No.

803 Ms. Deterding. Mr. Buck votes no.

804 Chairman Goodlatte. The clerk will report.

805 Ms. Deterding. Mr. Chairman, 7 members voted aye, 15

806 members voted no.

807 Chairman Goodlatte. And the amendment is not agreed to.

808 Mr. Conyers. Mr. Chairman?

809 Chairman Goodlatte. For what purpose does the gentleman

810 from Michigan --

811 Mr. Conyers. I have an amendment at the desk.

812 Chairman Goodlatte. The clerk will report the

813 amendment.

814 Ms. Deterding. Amendment to H.R. 527, offered by Mr.

815 Conyers of Michigan, beginning on page 14, line 10 --

816 Chairman Goodlatte. Without objection, the gentleman's

817 amendment is considered as read.

818 [The amendment of Mr. Conyers follows:]

819

820 Chairman Goodlatte. And Mr. Conyers is recognized for 5
821 minutes on his amendment.
822 Mr. Conyers. Mr. Chairman, all I do in this amendment
823 is strike Section 5 of the bill. And this amendment by doing
824 that will preserve the ability of agencies to quickly respond
825 to emergencies that threaten Americans' health and safety by
826 striking one of the most pernicious elements of this
827 legislation; that is, to strike Section 5 and redesignate the
828 provisions accordingly.
829 Section 5 contains one of the most problematic
830 provisions that regardless of how you feel about this bill, I
831 think we can agree that as drafted, could undermine the
832 ability of agencies to quickly respond to emergent health and
833 safety risks. This section repeals the authority under
834 current law that allows an agency to waive or delay the
835 initial analysis required under the Regulatory Flexibility
836 Act in response to an emergency that makes compliance or
837 timely compliance impractical.
838 Rather than leave this critical exception under current
839 law in place, Section 5 replaces it with a provision
840 empowering the chief counsel for advocacy to issue
841 regulations about how agencies in general should comply with

842 the act, without any provision allowing agencies to respond
843 to emergencies through expedited rulemaking. So if there is
844 a looming national pandemic or an environmental disaster that
845 could be avoided or mitigated through regulation, the bill
846 prevents agencies from responding to such emergencies without
847 first having to go through the arduous and time-consuming
848 task of review and analysis. This requirement in the bill is
849 slightly wrongheaded and jeopardizes the health and safety of
850 all Americans. My amendment restores the critical exception
851 under current law that allows agencies to quickly respond to
852 emergencies without being hampered or second guessed.
853 And so, I urge my colleagues to thoughtfully support the
854 Conyers amendment, and I yield back the balance of my time,
855 Mr. Chairman. And thank you.
856 Chairman Goodlatte. The chair thanks the gentleman.
857 For what purpose does the gentleman from Ohio seek
858 recognition?
859 Mr. Chabot. Move to strike the last word.
860 Chairman Goodlatte. The gentleman is recognized for 5
861 minutes.
862 Mr. Chabot. Thank you, Mr. Chairman. I oppose the
863 amendment, and I would urge my colleagues to do the same.

One of the key failings of existing law is that it allows different agencies to interpret differently the terms of the Regulatory Flexibility Act and the Small Business Regulatory Enforcement Fairness Act. This allows agencies to find loopholes at their pleasure and evade the requirements of the law.

The bill remedies this defect by granting the Small Business Administration's Office of Chief Counsel for Advocacy authority to write regulations to govern all agencies' compliance with the RFA and SBREFA. The bill also grants the Office of Chief Counsel authority to intervene in agency adjudications and offer comments in agency notice and comment proceedings. These reforms will at last assure consistent compliance with the RFA and SBREFA across the entire Federal government. This amendment would defeat that purpose and restore to the agencies their ability to find loopholes to suit their whims. America's small business job creators deserve better than that.

In addition, the bill performs a bit of housekeeping in the Code by repealing RFA Section 608's waiver provision. This provision is duplicative of Subsection 553(b) of the APA, which is already allowing agencies to dispense with

886 notice and comment for good cause, and, hence, waive RFA
887 compliance since the RFA only applies in notice and comment
888 rulemakings. And for those reasons, I urge my colleagues to
889 oppose this amendment, and I yield back.
890 Chairman Goodlatte. The question occurs on the
891 amendment offered by the gentleman from Michigan.
892 All those in favor, respond by saying aye.
893 Those opposed, no.
894 In the opinion of the chair, the noes have it, and the
895 amendment is not agreed to.
896 Mr. Conyers. May I have a recorded vote?
897 Chairman Goodlatte. A recorded vote is requested, and
898 the clerk will call the roll.
899 Ms. Deterding. Mr. Goodlatte?
900 Chairman Goodlatte. No.
901 Ms. Deterding. Mr. Goodlatte votes no.
902 Mr. Sensenbrenner?
903 [No response.]
904 Ms. Deterding. Mr. Smith?
905 [No response.]
906 Ms. Deterding. Mr. Chabot?
907 Mr. Chabot. No.

908 Ms. Deterding. Mr. Chabot votes no.

909 Mr. Issa?

910 Mr. Issa. No.

911 Ms. Deterding. Mr. Issa votes no.

912 Mr. Forbes?

913 Mr. Forbes. No.

914 Ms. Deterding. Mr. Forbes votes no.

915 Mr. King?

916 Mr. King. No.

917 Mr. Deterding. Mr. King votes no.

918 Mr. Franks?

919 Mr. Franks. No.

920 Ms. Deterding. Mr. Franks votes no.

921 Mr. Gohmert?

922 Mr. Gohmert. No.

923 Ms. Deterding. Mr. Gohmert votes no.

924 Mr. Jordan?

925 [No response.]

926 Ms. Deterding. Mr. Poe?

927 [No response.]

928 Ms. Deterding. Mr. Chaffetz?

929 [No response.]

930 Ms. Deterding. Mr. Marino?

931 [No response.]

932 Ms. Deterding. Mr. Gowdy?

933 [No response.]

934 Ms. Deterding. Mr. Labrador?

935 [No response.]

936 Ms. Deterding. Mr. Farenthold?

937 [No response.]

938 Ms. Deterding. Mr. Collins?

939 Mr. Collins. No.

940 Ms. Deterding. Mr. Collins votes no.

941 Mr. DeSantis?

942 [No response.]

943 Ms. Deterding. Ms. Walters?

944 Ms. Walters. No.

945 Ms. Deterding. Ms. Walters votes no.

946 Mr. Buck?

947 [No response.]

948 Ms. Deterding. Mr. Ratcliffe?

949 [No response.]

950 Ms. Deterding. Mr. Trott?

951 Mr. Trott. No.

Ms. Deterding. Mr. Trott votes no.

Mr. Bishop?

Mr. Bishop. No.

Ms. Deterding. Mr. Bishop votes no.

Mr. Conyers?

Mr. Conyers. Aye.

Ms. Deterding. Mr. Conyers votes aye.

Mr. Nadler?

Mr. Nadler. Aye.

Ms. Deterding. Mr. Nadler votes aye.

Ms. Lofgren?

[No response.]

Ms. Deterding. Ms. Jackson Lee?

[No response.]

Ms. Deterding. Mr. Cohen?

[No response.]

Ms. Deterding. Mr. Johnson?

Mr. Johnson. Aye.

Ms. Deterding. Mr. Johnson votes aye.

Mr. Pierluisi?

Mr. Pierluisi. Aye.

Ms. Deterding. Mr. Pierluisi votes aye.

Ms. Chu?

[No response.]

Ms. Deterding. Mr. Deutch?

[No response.]

Ms. Deterding. Mr. Gutierrez?

[No response.]

Ms. Deterding. Ms. Bass?

[No response.]

Ms. Deterding. Mr. Richmond?

[No response.]

Ms. Deterding. Ms. DelBene?

Ms. DelBene. Aye.

Ms. Deterding. Ms. DelBene votes aye.

Mr. Jeffries?

Mr. Jeffries. Aye.

Ms. Deterding. Mr. Jeffries votes aye.

Mr. Cicilline?

Mr. Cicilline. Aye.

Ms. Deterding. Mr. Cicilline votes aye.

Mr. Peters?

Mr. Peters. Aye.

Ms. Deterding. Mr. Peters votes aye.

996 Chairman Goodlatte. The gentleman from South Carolina?

997 Mr. Gowdy. No.

998 Ms. Deterding. Mr. Gowdy votes no.

999 Chairman Goodlatte. The gentleman from Texas?

1000 Mr. Farenthold. No.

1001 Ms. Deterding. Mr. Farenthold votes no.

1002 Chairman Goodlatte. The gentleman from Florida?

1003 Mr. DeSantis. No.

1004 Ms. Deterding. Mr. DeSantis votes no.

1005 Chairman Goodlatte. The gentleman from Colorado?

1006 Mr. Buck. No.

1007 Ms. Deterding. Mr. Buck votes no.

1008 Chairman Goodlatte. Has every member voted who wishes

1009 to vote?

1010 [No response.]

1011 Chairman Goodlatte. The clerk will report.

1012 Ms. Deterding. Mr. Chairman, 8 members voted aye, 15

1013 members voted no.

1014 Chairman Goodlatte. And the amendment is not agreed to.

1015 Are there further amendments?

1016 For what purpose does the gentleman from New York seek

1017 recognition?

1018 Mr. Nadler. Mr. Chairman, I have an amendment at the
1019 desk.
1020 Chairman Goodlatte. The clerk will report the
1021 amendment.
1022 Ms. Deterding. Amendment to H.R. 527, offered by Mr.
1023 Nadler of New York, page 10, beginning on --
1024 Chairman Goodlatte. Without objection, the amendment is
1025 considered as read.
1026 [The amendment of Mr. Nadler follows:]
1027

1028 Chairman Goodlatte. And the gentleman is recognized for
1029 5 minutes on his amendment.
1030 Mr. Nadler. I thank the chairman. Mr. Chairman, my
1031 amendment would require agencies to assess the direct and
1032 indirect benefits, as well as the direct and indirect costs,
1033 when considering proposed rules. The underlying bill
1034 purports to require a fair analysis of the costs and benefits
1035 of the proposed regulations. What it really does is place a
1036 thumb on the scale in favor of calculating costs only. This
1037 way fewer life-saving regulations will have to be issued.
1038 One way the bill does this is by tasking agencies to examine
1039 the indirect economic effects of proposed regulations on
1040 small businesses.
1041 What my amendment does is to clarify that if agencies
1042 must engage in this type of highly speculative analysis of
1043 looking at indirect benefits, then they must also consider
1044 any indirect benefits of the proposed rule along with
1045 indirect costs. I suspect that this legislation excludes
1046 consideration of indirect benefits because its authors know
1047 that benefits consistently outweigh the cost of regulation,
1048 often by many multiples. That makes it harder for them to
1049 block regulations that protect public health and safety,

1050 which they oppose.

1051 This bill tries to get around that problem by imposing
1052 burdensome procedural requirements on agencies and stacking
1053 the analytical deck so that the costs will appear to outweigh
1054 the benefits. And it does that by mandating the analysis of
1055 indirect costs, but not of indirect benefits. My amendment,
1056 therefore, would ensure that any assessment of costs and
1057 benefits be done in an even-handed manner.

1058 Frankly, I think that analyzing the indirect effects,
1059 positive or negative, of regulations is far too speculative
1060 an exercise. Just look at the new budget requirement for so-
1061 called dynamic scoring, which Republicans hope will enable
1062 them to enact tax cuts without accounting for the massive
1063 deficits those cuts would create. In this bill, they now
1064 hope to block necessary health and safety regulations by
1065 using the same fuzzy accounting method, except instead of
1066 creating imaginary benefits for tax cuts, they are creating
1067 imaginary costs for regulations. I may oppose this
1068 speculative analysis, but if you are going to consider this
1069 kind of speculative analysis, if you are going to consider
1070 indirect costs, any honest analysis must also include
1071 indirect benefits as well.

1072 Now, I know that some of the proponents of the bill will
1073 say that the underlying law already requires this, but it
1074 does not, or the least is unclear, so no harm can be done to
1075 a fair analysis, to a fair requirement, by requiring that the
1076 indirect benefits as well as the indirect costs be
1077 considered, by making that explicit so that we do not have to
1078 worry, that, as we read it, it does not require analysis of
1079 the indirect benefits. The majority may say it does. Make
1080 it clear that it does, and it would greatly improve the bill.
1081 I urge adoption of the amendment. I thank you, and I
1082 yield back the balance of my time.
1083 Chairman Goodlatte. The chair thanks the gentleman and
1084 recognizes himself in opposition to the amendment, which
1085 fundamentally misunderstands the Regulatory Flexibility
1086 Improvements Act, the underlying Regulatory Flexibility Act
1087 that already is in existence. It is an attempt to insert a
1088 cost benefit issue into a statute that is not a cost benefit
1089 statute.
1090 In rulemaking processes to which the RFA applies, the
1091 agency already has decided to regulate. The only answer is
1092 the best way to regulate; in other words, the lowest cost way
1093 to achieve the already extant benefits in the rule. RFA

1094 analyses do not question the need for a rule, just like an
1095 environmental impact statement prepared under the National
1096 Environmental Policy Act does not question the need for a
1097 dam. Both are intended to try to find the least problematic
1098 way to regulate, or build the rule or the dam. The amendment
1099 tries to change the debate and have the RFA become something
1100 that it is not, so I urge my colleagues to oppose the
1101 amendment.
1102 Mr. Conyers. Mr. Chairman?
1103 Chairman Goodlatte. For what purpose does the gentleman
1104 seek recognition?
1105 Mr. Conyers. I rise in support of the Nadler amendment.
1106 Chairman Goodlatte. The gentleman is recognized for 5
1107 minutes.
1108 Mr. Conyers. And I think that it is only fair that if
1109 we are discussing the indirect costs that we talk about the
1110 indirect benefits of a proposed rule. There is nothing to
1111 misunderstand about that. The benefits of regulations
1112 consistently outweigh the costs. The Office of Management
1113 and Budget estimated that over the last decade, major
1114 regulations benefitted the economy between $217 billion and
1115 $863 billion a year at a cost of between $57 billion to $84

1116 billion. And so, this amendment corrects the deficiency of
1117 the bill, and I strongly recommend to my colleagues that they
1118 support the Nadler amendment. I yield back the balance of my
1119 time.
1120 Chairman Goodlatte. The question occurs on the
1121 amendment offered by the gentleman from New York, Mr. Nadler.
1122 All those in favor, respond by saying aye.
1123 Those opposed, no.
1124 In the opinion of the chair, the noes have it, and the
1125 amendment is not agreed to.
1126 Mr. Nadler?
1127 Mr. Nadler. Roll call vote.
1128 Chairman Goodlatte. A roll call vote is requested, and
1129 the clerk will call the roll.
1130 Ms. Deterding. Mr. Goodlatte?
1131 Chairman Goodlatte. No.
1132 Ms. Deterding. Mr. Goodlatte votes no.
1133 Mr. Sensenbrenner?
1134 [No response.]
1135 Ms. Deterding. Mr. Smith?
1136 [No response.]
1137 Ms. Deterding. Mr. Chabot?

Mr. Chabot. No.

Ms. Deterding. Mr. Chabot votes no.

Mr. Issa?

Mr. Issa. No.

Ms. Deterding. Mr. Issa votes no.

Mr. Forbes?

Mr. Forbes. No.

Ms. Deterding. Mr. Forbes votes no.

Mr. King?

Mr. King. No.

Mr. Deterding. Mr. King votes no.

Mr. Franks?

Mr. Franks. No.

Ms. Deterding. Mr. Franks votes no.

Mr. Gohmert?

Mr. Gohmert. No.

Ms. Deterding. Mr. Gohmert votes no.

Mr. Jordan?

[No response.]

Ms. Deterding. Mr. Poe?

[No response.]

Ms. Deterding. Mr. Chaffetz?

[No response.]

Ms. Deterding. Mr. Marino?

[No response.]

Ms. Deterding. Mr. Gowdy?

Mr. Gowdy. No.

Ms. Deterding. Mr. Gowdy votes no.

Mr. Labrador?

[No response.]

Ms. Deterding. Mr. Farenthold?

Mr. Farenthold. No.

Ms. Deterding. Mr. Farenthold votes no.

Mr. Collins?

Mr. Collins. No.

Ms. Deterding. Mr. Collins votes no.

Mr. DeSantis?

Mr. DeSantis. No.

Ms. Deterding. Mr. DeSantis votes no.

Ms. Walters?

Ms. Walters. No.

Ms. Deterding. Ms. Walters votes no.

Mr. Buck?

Mr. Buck. No.

1182 Ms. Deterding. Mr. Buck votes no.

1183 Mr. Ratcliffe?

1184 [No response.]

1185 Ms. Deterding. Mr. Trott?

1186 Mr. Trott. No.

1187 Ms. Deterding. Mr. Trott votes no.

1188 Mr. Bishop?

1189 Mr. Bishop. No.

1190 Ms. Deterding. Mr. Bishop votes no.

1191 Mr. Conyers?

1192 Mr. Conyers. Aye.

1193 Ms. Deterding. Mr. Conyers votes aye.

1194 Mr. Nadler?

1195 Mr. Nadler. Aye.

1196 Ms. Deterding. Mr. Nadler votes aye.

1197 Ms. Lofgren?

1198 Ms. Lofgren. Yes.

1199 Ms. Deterding. Ms. Lofgren votes yes.

1200 Ms. Jackson Lee?

1201 [No response.]

1202 Ms. Deterding. Mr. Cohen?

1203 [No response.]

Ms. Deterding. Mr. Johnson?

Mr. Johnson. Aye.

Ms. Deterding. Mr. Johnson votes aye.

Mr. Pierluisi?

Mr. Pierluisi. Aye.

Ms. Deterding. Mr. Pierluisi votes aye.

Ms. Chu?

[No response.]

Ms. Deterding. Mr. Deutch?

[No response.]

Ms. Deterding. Mr. Gutierrez?

[No response.]

Ms. Deterding. Ms. Bass?

[No response.]

Ms. Deterding. Mr. Richmond?

[No response.]

Ms. Deterding. Ms. DelBene?

Ms. DelBene. Aye.

Ms. Deterding. Ms. DelBene votes aye.

Mr. Jeffries?

Mr. Jeffries. Aye.

Ms. Deterding. Mr. Jeffries votes aye.

1226 Mr. Cicilline?

1227 Mr. Cicilline. Aye.

1228 Ms. Deterding. Mr. Cicilline votes aye.

1229 Mr. Peters?

1230 Mr. Peters. Aye.

1231 Ms. Deterding. Mr. Peters votes aye.

1232 Chairman Goodlatte. The gentleman from Texas?

1233 Mr. Ratcliffe. No.

1234 Ms. Deterding. Mr. Ratcliffe votes no.

1235 Chairman Goodlatte. The gentleman from Ohio?

1236 Mr. Jordan. No.

1237 Ms. Deterding. Mr. Jordan votes no.

1238 Chairman Goodlatte. Has every member voted who wishes

1239 to vote?

1240 [No response.]

1241 Chairman Goodlatte. The clerk will report.

1242 Ms. Deterding. Mr. Chairman, 9 members voted aye, 17

1243 members voted no.

1244 Chairman Goodlatte. And the amendment is not agreed to.

1245 Are there further amendments to H.R. 527?

1246 Mr. Peters. Mr. Chairman?

1247 Chairman Goodlatte. For what purpose does the gentleman

1248 from California seek recognition?

1249 Mr. Peters. I have an amendment at the desk.

1250 Chairman Goodlatte. The clerk will report the

1251 amendment.

1252 Ms. Deterding. Amendment to H.R. 527, offered by Mr.

1253 Peters of California, add at the end of the bill the

1254 following --

1255 Chairman Goodlatte. Without objection, the amendment is

1256 considered as read.

1257 [The amendment of Mr. Peters follows:]

1258

1259 Chairman Goodlatte. And the gentleman is recognized for
1260 5 minutes on his amendment.
1261 Mr. Peters. Thank you, Mr. Chairman. This amendment
1262 would exempt from the underlying legislation rules that would
1263 protect members of the armed services from predatory lending
1264 practices. Twice last year we requested that the Department
1265 of Defense issue rules to close loopholes in the Financial
1266 Service Protection offered by the Military Lending Act, and
1267 in response the Department issued a preliminary rule in
1268 December of last year that would close these loopholes and
1269 strengthen financial protections for service members on
1270 active duty. Without this amendment, the underlying
1271 legislation could lengthen the rulemaking that is going on
1272 pursuant to our request.
1273 Members of the armed services make sacrifices to protect
1274 us from harm and defend our freedoms. It is our
1275 responsibility to ensure that these men and women are
1276 protected when they return home. Unfortunately, it has
1277 become clear that threats to their wellbeing do not just
1278 exist from abroad, but the nature of military service makes
1279 service members ideal targets for predatory loans with
1280 exorbitant interest rates. The prevalence of these loans led

1281 Congress to pass the Military Lending Act of 2007. That
1282 legislation was designed to eliminate this type of predatory
1283 lending practice that too often leaves service members and
1284 their families with crippling amounts of debt.
1285 Unfortunately, there are a number of loopholes in the
1286 act that predatory lenders have continued to exploit and
1287 require additional action, and these reprehensible predators
1288 trap service members and their families in a cycle of debt
1289 that can be extremely difficult to overcome. We have begun a
1290 bipartisan and a bicameral effort to call on the Department
1291 of Defense to issue rules that close these loopholes and
1292 ensure that our service members do not fall victim to
1293 predatory lending practices that leave them financially
1294 strapped. And my amendment would ensure that DoD can
1295 continue this process that has already begun to protect
1296 service members and their families so we can maintain a
1297 watchful eye on those companies that are exploiting those who
1298 sacrifice so much for our safety and our security.
1299 I hope my colleagues will join me in supporting this
1300 amendment, and, Mr. Chairman, I thank you and yield back.
1301 Chairman Goodlatte. Well, first of all, I recognize
1302 myself, and I would just say to the gentleman I am very

1303 supportive of our brave service men and women, some of whom
1304 have fought for our Nation. All of them have served our
1305 country. And I know that there is a process ongoing to make
1306 sure that they are treated fairly in securing loans.
1307 I quite frankly do not know whether the regulations that
1308 will be written by the Department will be more helpful to
1309 veterans or not as helpful because veterans do need to get
1310 loans. And the question is will the regulations will be such
1311 that they cannot get a loan at all, or will they be written
1312 in such a way that they will be protected against predatory
1313 lending and will not cause that.
1314 So I have only seen this amendment a short time, and I
1315 have not time to carefully review it. I under those
1316 circumstances I must oppose it, but if the gentleman wants to
1317 work with us going to the floor, I can assure the gentleman,
1318 and I think the gentleman would from Ohio would assure him as
1319 well, that we would be happy to work with you on trying to
1320 make sure that we do the best we possibly can to not
1321 interfere with the rulemaking process that is going on right
1322 now for veterans.
1323 Mr. Chabot. Mr. Chairman, would the gentleman yield?
1324 Chairman Goodlatte. Yes, I would be happy to yield.

1325 Mr. Chabot. Yes, I agree with the sentiments of the
1326 chairman of the Judiciary Committee. We would be happy to
1327 work with our colleagues on the other side of the aisle to
1328 see if there is not some accommodation that we can make on
1329 this issue, agreeing with the chairman that I think we all
1330 have our veterans' best interests in mind. I yield back.
1331 Mr. Conyers. Mr. Chairman?
1332 Chairman Goodlatte. Let me yield to the gentleman if
1333 he --
1334 Mr. Peters. Mr. Chairman, I am a new member of this
1335 committee, and I come here in good faith. And given your
1336 offer, I am going to accept it. I like the idea of working
1337 on something, and I hope we are able to get an amendment.
1338 This actually is with regard to active duty.
1339 Chairman Goodlatte. Yes, I understand, and I think you
1340 have a legitimate concern about a pending --
1341 Mr. Peters. I think you mentioned --
1342 Chairman Goodlatte. -- regulation, and I would like to
1343 work with the gentleman.
1344 Mr. Peters. And I would love to see if we cannot
1345 fashion something, and I will take your offer very seriously,
1346 and look forward to working with you. Thank you.

1347 Chairman Goodlatte. Thank you.

1348 Mr. Peters. I will withdraw the amendment.

1349 Chairman Goodlatte. Without objection. The gentleman

1350 from Michigan is recognized.

1351 Mr. Conyers. Mr. Chairman, I was prepared to argue that

1352 under these circumstances, we ought to accept the gentleman's

1353 amendment and play it safe so that at least we will have an

1354 indication of which way we are going rather than to say we

1355 will hold off and wait to see how everything else turns out.

1356 So I would have urged the gentleman to keep his amendment

1357 going and have a vote on it, and have a record on an

1358 amendment for veterans that is very, very important.

1359 Mr. Johnson. Would the gentleman yield?

1360 Mr. Conyers. Of course, I would be pleased to.

1361 Mr. Johnson. Yes, I would join the chairman in urging

1362 the gentleman to not withdraw the amendment. The fact that

1363 we are here dealing with this bill that has not gone through

1364 regular order is itself an indication of the lack of

1365 accommodating ability by my friends on the other side with

1366 respect to this issue. So I would support the ranking

1367 member's appeal.

1368 Mr. Conyers. I yield back.

1369 Chairman Goodlatte. Without objection, the gentleman's
1370 amendment is withdrawn, and the question now occurs -- are
1371 there other amendments?
1372 [No response.]
1373 Chairman Goodlatte. If not, the question occurs on
1374 passage of the bill. A reporting quorum being present, the
1375 question is on the motion to report the bill favorably to the
1376 House.
1377 Those in favor will say aye.
1378 Those opposed, no.
1379 In the opinion of the chair, the ayes have it, and the
1380 bill is ordered reported favorably.
1381 Mr. Conyers. Record vote, please.
1382 Chairman Goodlatte. A recorded vote is requested, and
1383 the clerk will call the roll quickly.
1384 Ms. Deterding. Mr. Goodlatte?
1385 Chairman Goodlatte. Aye.
1386 Ms. Deterding. Mr. Goodlatte votes aye.
1387 Mr. Sensenbrenner?
1388 [No response.]
1389 Ms. Deterding. Mr. Smith?
1390 Mr. Smith. Aye.

Ms. Deterding. Mr. Smith votes aye.

Mr. Chabot?

Mr. Chabot. Aye.

Ms. Deterding. Mr. Chabot votes aye.

Mr. Issa?

Mr. Issa. Aye.

Ms. Deterding. Mr. Issa votes aye.

Mr. Forbes?

Mr. Forbes. Aye.

Ms. Deterding. Mr. Forbes votes aye.

Mr. King?

Mr. King. Aye.

Ms. Deterding. Mr. King votes aye.

Mr. Franks?

Mr. Franks. Aye.

Ms. Deterding. Mr. Franks votes aye.

Mr. Gohmert?

Mr. Gohmert. Aye.

Ms. Deterding. Mr. Gohmert votes aye.

Mr. Jordan?

Mr. Jordan. Yes.

Ms. Deterding. Mr. Jordan votes yes.

Mr. Poe?

[No response.]

Ms. Deterding. Mr. Chaffetz?

Mr. Chaffetz. Aye.

Ms. Deterding. Mr. Chaffetz votes aye.

Mr. Marino?

[No response.]

Ms. Deterding. Mr. Gowdy?

Mr. Gowdy. Yes.

Ms. Deterding. Mr. Gowdy votes yes.

Mr. Labrador?

[No response.]

Ms. Deterding. Mr. Farenthold?

Mr. Farenthold. Aye.

Ms. Deterding. Mr. Farenthold votes aye.

Mr. Collins?

Mr. Collins. Aye.

Ms. Deterding. Mr. Collins votes aye.

Mr. DeSantis?

Mr. DeSantis. Aye.

Ms. Deterding. Mr. DeSantis votes aye.

Ms. Walters?

Ms. Walters. Aye.

Ms. Deterding. Ms. Walters votes aye.

Mr. Buck?

Mr. Buck. Aye.

Ms. Deterding. Mr. Buck votes aye.

Mr. Ratcliffe?

Mr. Ratcliffe. Aye.

Ms. Deterding. Mr. Ratcliffe votes aye.

Mr. Trott?

Mr. Trott. Aye.

Ms. Deterding. Mr. Trott votes aye.

Mr. Bishop?

Mr. Bishop. Aye.

Ms. Deterding. Mr. Bishop votes aye.

Mr. Conyers?

Mr. Conyers. No.

Ms. Deterding. Mr. Conyers votes no.

Mr. Nadler?

Mr. Nadler. No.

Ms. Deterding. Mr. Nadler votes no.

Ms. Lofgren?

Ms. Lofgren. No.

Ms. Deterding. Ms. Lofgren votes no.

Ms. Jackson Lee?

[No response.]

Ms. Deterding. Mr. Cohen?

[No response.]

Ms. Deterding. Mr. Johnson?

Mr. Johnson. No.

Ms. Deterding. Mr. Johnson votes no.

Mr. Pierluisi?

Mr. Pierluisi. No.

Ms. Deterding. Mr. Pierluisi votes no.

Ms. Chu?

[No response.]

Ms. Deterding. Mr. Deutch?

[No response.]

Ms. Deterding. Mr. Gutierrez?

[No response.]

Ms. Deterding. Ms. Bass?

[No response.]

Ms. Deterding. Mr. Richmond?

[No response.]

Ms. Deterding. Ms. DelBene?

1479 Ms. DelBene. No.

1480 Ms. Deterding. Ms. DelBene votes no.

1481 Mr. Jeffries?

1482 [No response.]

1483 Ms. Deterding. Mr. Cicilline?

1484 Mr. Cicilline. No.

1485 Ms. Deterding. Mr. Cicilline votes no.

1486 Mr. Peters?

1487 Mr. Peters. No.

1488 Ms. Deterding. Mr. Peters votes no.

1489 Chairman Goodlatte. Has every member voted who wishes

1490 to vote?

1491 [No response.]

1492 Chairman Goodlatte. The clerk will report.

1493 Ms. Deterding. Mr. Chairman, 19 members voted aye, 8

1494 members voted no.

1495 Chairman Goodlatte. The ayes have it, and the bill is

1496 ordered reported favorably to the House. Members will have 2

1497 days to submit views.

1498 [The information follows:]

1499

1500 Chairman Goodlatte. I want to thank all the members who
1501 are still here for their participation. That concludes
1502 today's business, and the meeting is adjourned.
1503 [Whereupon, at 3:54 p.m., the committee was adjourned.]