GOVERNMENT MATTERS

February 25, 2014 Vol. 2, No. 4

In This Issue

Open, Accountable Government

Communities Continue to Call for Stronger Protections as Chemical Incidents Rise

E-Gov Spotlight: Product Safety Site Helps Protect Children, Families

Citizen Health & Safety

House Republicans Return to Attacking Public Health and Environmental Protections

Revenue & Spending

Re-Imagining Government: Affordable Banking

Communities Continue to Call for Stronger Protections as Chemical Incidents Rise

by Sofia Plagakis

As the number of chemical disasters and injuries continues to mount in 2014, evidence shows that the risks that chemical facilities present to the local communities in which they are located are greater than many residents previously understood. The Center for Effective Government has created <u>a set of maps</u>, showing how close many of these facilities are to schools and hospitals. The maps are helping communities press for new oversight, safer chemicals, and stronger enforcement of existing standards to prevent future disasters.

Background

Ten months ago, 15 people were killed and 200 more were injured in a fertilizer plant explosion in West, TX. The explosion destroyed a school, a nursing home, and an apartment complex. First responders and local residents were unaware of the ammonium nitrate stored in the facility. The

explosion exposed the serious risks these facilities pose to communities and underscored huge gaps in our regulatory and enforcement system.

In response to the West tragedy, in August 2013, President Barack Obama issued an executive order requiring the U.S. Environmental Protection Agency (EPA), Department of Homeland Security (DHS), and the Department of Labor's Occupational Safety and Health Administration (OSHA) to identify policy changes that will significantly enhance the safety and security of chemical facilities. These agencies are holding a series of "listening sessions" around the country to take comments from the public and key stakeholders. Community, labor, and public interest groups have used the sessions to increase awareness of the dangers these facilities represent and to call for new oversight policies, including requiring facilities to switch to safer chemical alternatives and processes when available.

As the policy review continues, <u>more chemical incidents</u> have occurred. Just last week, a chemical fire at a fertilizer storage facility in Northwood, IA led officials to evacuate the town's nearly 2,000 residents.

Mapping Potential Risks

Over the past several months, the Center for Effective Government has <u>mapped data</u> from the EPA to show the proximity of high-risk chemical facilities to schools and hospitals. Our work reveals that the dangers exposed in West, TX are far from isolated. So far, we have produced maps for five states where the Chemical Facility Safety and Security Working Group held listening sessions: Texas, California, Illinois, Louisiana, and New Jersey. Mapping provides a visual way of communicating data quickly and dramatically.

The maps tell a sobering story of numerous chemical facilities that are within a one-mile radius of schools and hospitals. In Texas, 721,742 students in 1,471 schools are within a mile of at least one high-risk chemical facility; 134 hospitals are also within the one-mile zone.

The other states show similar exposure risks. In Illinois, 310,000 students in 816 schools and 51 hospitals are within a mile of a high-risk facility. The California map identified more than half a million students in 938 schools, and at least 70 hospitals, in similar proximity to facilities storing large quantities of dangerous chemicals.

The maps also provide information on the percent of population across each state that is below the poverty line, as high-risk chemical facilities are more often located near low-income and minority populations.

Communities and Maps

Communities across the country have been using our maps to educate local, state, and federal officials; media; and the public and to demonstrate the need for better oversight, safer chemicals, and clear risk management plans. Prior to the Houston, TX listening session, activists in the Manchester area held a community event, showing that 27 schools in their area are within a mile of a chemical facility.

"If the explosions in Mossville or West, Texas occurred in the community of Manchester, the results could be catastrophic. With over one dozen facilities in Manchester, and hundreds throughout Houston,

millions of people are in harm's way from these chemical facilities," explained Juan Parras, Executive Director of Texas Environmental Justice Advocacy Services.

In Louisiana, the Green Army, a coalition of environmental groups organized by retired Army Lt. Gen. Russell Honoré, called for chemical facilities to provide a better public emergency notification system (such as better siren warning systems to alert nearby residents of problems) and for the management of facilities using hazardous chemicals to hold annual public meetings with communities to tell local residents how to recognize warning signs of a problem, what to do if a toxin is released, and who to call for more safety information. "Right now, we're in the dark," said-Honoré.

In the listening sessions, community activists have emphasized the need for the federal government to require high-risk facilities to convert to safer chemicals when alternatives are available and affordable. As the Center for Effective Government has <u>reported</u> in previous articles, safer chemicals and processes are available, but many companies will not switch to safer alternatives without a federal requirement to do so.

Conclusion

Despite the risks posed by chemical facilities, local residents often do not know what chemicals are being produced and stored onsite, nor are they aware of the actions to take when emergencies occur. As more maps and other tools become available, people and groups should use them to become more engaged on this critical issue.

One final listening session is to be held in Newark, NJ on Feb. 27. However, communities in West Virginia are calling on the Working Group to hold a listening session in their state. The public can also submit <u>comments</u> on the Working Group's initial set of policy issues until March 31.

E-Gov Spotlight: Product Safety Site Helps Protect Children, Families

by Leslie Haymon

In August 2008, six-month-old Kennedy Brotherton Jones died when her head got trapped in her bassinet. Her parents later learned that another child had died in the same way in the same model of bassinet a year earlier. That death had been reported to federal product safety authorities, but the danger had not been communicated to the public – including Kennedy's parents. Today, a government website provides information that can help prevent future tragedies.

<u>SaferProducts.gov</u> allows Americans to report dangerous consumer products and to research product safety. Specifically, the site enables the public to submit and view reports about injuries and other safety problems involving consumer products. The website is well organized, easy to use, and an effective tool for consumers and manufacturers.

What is SaferProducts.gov?

On Aug. 14, 2008, the <u>Consumer Product Safety Improvement Act</u> became law. In addition to other reforms to improve product safety, the law <u>required</u> the Consumer Product Safety Commission (CPSC) "to establish and maintain a publicly available, searchable database on the safety of consumer products, and other products or substances" regulated by the commission, like cribs, space heaters, and children's toys.

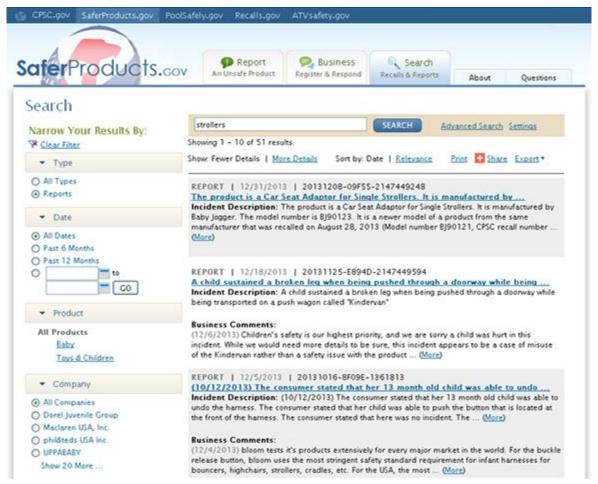
Launched in 2011, SaferProducts.gov makes it easy for consumers to report unsafe consumer products to the government. Manufacturers also receive copies of the reports and have the opportunity to comment on them. The site then publishes the reports, along with any responses from manufacturers and product recall notices. Customers can search or browse the site and use the information to protect themselves and their families from products that may injure or harm them.

Using the Site

The SaferProducts.gov homepage makes reporting an incident simple and intuitive. A series of menus guides a person who has observed a product safety concern to identify the type of product, explain the problem, and indicate when an incident occurred and who was harmed. Each step is clear and straightforward.

Searching for reports of product hazards is also easy. Visitors can search by keyword or browse by product type, company, brand, or model. Consumers can narrow their results by specifying a date range or by narrowing the results to product recalls or reported problems. From there, users can review the recalls and reports and get information about how to return products that have been recalled.

For example, a new parent might visit the site to report an incident involving a recently purchased stroller that endangered or hurt his or her child. He or she clicks on the large, green "Report an Unsafe Product" button, and the website walks the parent through the process of reporting what happened and any information about the stroller. After submitting the report, the parent can find out if other people have had problems with the same stroller or if there are complaints about other brands or types of strollers.



click to enlarge

Strengths

Overall, the site is easy to navigate. It is simple to report an unsafe product. The site guides users step by step through this process. The process uses FAQs at each step to address anticipated questions.

For consumers researching a product, each report and recall notice is laid out well with robust information, including product data, incident descriptions, manufacturer comments, and product pictures. The site provides helpful information to guide users, including tutorial videos and frequently asked questions.

When searching or browsing reports, the site provides useful filter options such as date, product, company, location where the incident occurred, and type of injury. These options are collapsible, which prevents users from being overwhelmed by too much information.

Although its primary audience is consumers, the site is also helpful to manufacturers. Reports submitted through the site provide manufacturers with early indicators of problems with their products, as well as an opportunity to explain issues directly to potential customers. After registration, businesses receive secure e-mails when a report is made about one of their products. They then have an opportunity to make comments on reports or to report that the complaint contains confidential business information.

Weaknesses

The site could provide more useful information to orient users visiting the site for the first time. The About page could be clearer in introducing the CPSC and the overall goals of SaferProducts.gov. Additionally, more information about the site and the scope of information it contains should be centrally placed on the homepage.

Conclusion

SaferProducts.gov is a well-designed site that succeeds at transforming large amounts of information into an easily usable interface. The modern look and feel, coupled with the extensive user guidance, gives the site an inviting, friendly feel. However, better information about the site and what its goals are could be more prominently displayed.

Gavin Baker and Peter Pellizzari contributed to this article.

House Republicans Return to Attacking Public Health and Environmental Protections

by Katie Weatherford

This week, the House of Representatives will vote on a series of anti-regulatory proposals during a campaign targeting important public health and environmental safeguards. While House Majority Leader Eric Cantor (R-VA) has dubbed the campaign #StopGovtAbuse Week, the proposed legislation is in fact designed to delay or halt the rulemaking process by adding time-consuming and redundant procedural hurdles, by providing regulated industries additional opportunities to delay the process, and by stripping away the public's right to petition agencies when they fail to act.

We have seen many of these proposals before. However, during Cantor's week of damaging bills, four anti-regulatory proposals introduced over the past year will be re-introduced as one piece of legislation with a new title, the Achieving Less Excess in Regulation and Requiring Transparency (ALERRT) Act (<u>H.R. 2804</u>). A separate vote will be taken on the Unfunded Mandates Information and Transparency Act of 2013 (<u>H.R. 899</u>).

The ALERRT Act: One Big Gift to Big Business

The ALERRT Act was originally introduced in July 2013 as the All Economic Regulations are Transparent (ALERT) Act, but the bill has been rewritten to add in three other anti-regulatory proposals. Together, these bills are a dramatic assault on rules that protect our health, safety, and environment.

Part 1. The All Economic Regulations are Transparent (ALERT) Act

The All Economic Regulations are Transparent (ALERT) Act would require all agencies to submit monthly reports of all rules under development to the White House Office of Information and

Regulatory Affairs (OIRA). OIRA would be required to publish the reports online, and no final rule could go into effect until information about the rule appeared online for six months, with limited exceptions. In effect, this would add a six-month moratorium onto a process that already takes agencies four to eight years to complete.

Moreover, the bill provides no recourse for the agency or the public if OIRA fails to publish an agency's monthly report online in a timely manner, effectively granting the OIRA administrator unilateral authority to decide whether or not a rule moves forward. OIRA would not be required to explain its inaction, and neither the agency nor the public would have a right to challenge the inaction in court.

Part 2. The Regulatory Accountability Act (RAA) of 2013

The Regulatory Accountability Act (RAA) of 2013 (<u>H.R. 2122</u>) would impose over 60 new procedural and analytical requirements to the <u>Administrative Procedure Act</u> (APA), the statute guiding the federal regulatory process, fundamentally rewriting the law and bringing the rulemaking process to a screeching halt.

Among the worst of these new procedures, the RAA would require an expansive cost-benefit analysis by all agencies, including independent agencies, even if the agency is prohibited by law from relying on such an analysis when issuing rules. These agencies would be required to assess not only the direct costs and benefits, but also the indirect costs of all major rules and any alternatives, and then choose the "least costly" option, unless the agency can show that the added benefits justify the added cost. This would likely pressure resource-constrained agencies to choose a weaker alternative to avoid the cost and time spent to perform the extensive analysis required to justify a stronger standard.

Should a rule actually get past these obstacles, the RAA makes it easier for courts to overturn them by requiring a stricter standard of review than currently exists under the APA.

For more detailed information about earlier versions of this bill, check out our analysis <u>here</u> and a related article <u>here</u>.

Part 3. The Regulatory Flexibility Improvements Act (RFIA)

The Regulatory Flexibility Improvements Act (RFIA) (<u>H.R. 2542</u>) would require agencies to assess the potential direct and indirect impacts of agency actions on small businesses. The bill would also require all agencies to host small business panels for rules that may have a "significant impact on a substantial number of small businesses." Currently, only three agencies have to establish these panels: the U.S. Environmental Protection Agency (EPA), the Occupational Safety and Health Administration (OSHA), and the Consumer Financial Protection Bureau (CFPB).

As the Center for Effective Government <u>stated</u> in written testimony to the House Subcommittee on Regulatory Reform, Commercial and Antitrust Law, "The Regulatory Flexibility Improvements Act would undermine the implementation of health and safety rules mandated by current law; it would expand the authority and reach of an agency whose practices and independent judgment are already under scrutiny; and it would unnecessarily divert public resources needed elsewhere. This bill is unwise and unsound and should be rejected."

Part 4. Sunshine for Regulatory Decrees and Settlements Act

The Sunshine for Regulatory Decrees and Settlements Act (H.R. 1493) would impose costly and time-consuming procedural hurdles on settling certain lawsuits related to rulemaking. These suits typically challenge an agency's failure to issue a rule to reduce an unnecessary risk to human health, safety, or the environment by a statutory deadline. This would limit citizens' rights to hold agencies accountable for not implementing a law passed by Congress. At the same time, it would enhance the rights of corporations to delay an agency from issuing a legally required rule.

The Unfunded Mandates Information and Transparency Act of 2013

The House will also vote on a separate anti-regulatory bill, the Unfunded Mandates Information and Transparency Act of 2013 (<u>H.R. 899</u>). This bill would give businesses the right to obtain an advanced notice of proposed rulemaking and submit comments to an agency, but public interest groups and citizens would not be given this special privilege.

In an opposition <u>letter</u> to the Oversight and Government Reform committee, the Coalition for Sensible Safeguards, joined by over 70 organizations, wrote that the legislation will "add even more redundancy and duplication to an already byzantine rulemaking process."

Conclusion

The upcoming legislation is just the latest attack on public protections by House anti-regulatory zealots. The legislation will not gain enough votes for passage in the Senate, so the votes this week appear to be another effort by conservatives to test talking points with their base ahead of the 2014 midterm elections. We look forward to a time when they put as much energy into protecting the American people as they put into abusing government.

Re-Imagining Government: Affordable Banking

by Scott Klinger

For the last 30 years, various political leaders have launched efforts to "Reinvent Government." Done in the name of making government more efficient, these initiatives have most often centered on reducing the size of the government workforce, by handing over to the for-profit sector services that have long been provided by government employees. The goal was to save money, but all too often, unintended consequences have included a troubling lack of accountability and deteriorating public services.

Last month, we caught a glimpse of a different way of looking at public services: having the government step in and provide vital services in areas abandoned by corporate providers. The Inspector General (IG) of the United States Postal Service (USPS) published "Providing Non-Bank Financial Services for the Underserved," in which he imagines how the Postal Service can successfully provide financial services in communities abandoned by traditional banks. He "re-publics" the space abandoned by commercial banks and in so doing creates a win for citizens in low-income communities and a win for the Postal Service by generating new revenues to offset declines in mail volume.

Banking for the Underserved: The "Best New Opportunity" for the Postal Service

More than a quarter of Americans – 34 million households – live in communities that have been abandoned by traditional banks. These families must rely on high-priced check-cashing stores, wire transfer services, and payday lenders for simple banking services that other Americans take for granted. They spent an estimated \$89 billion in 2012 – an average of \$2,412 per family – on interest and fees paid to alternative financial service providers. On average, under-banked families spend nearly 10 percent of their income on alternative banking services. These high banking fees often contribute to family bankruptcy: "people who filed for bankruptcy in 2012 were just \$26 per month short of meeting their expenses," according to the IG's report.

Thirty-eight percent of the nation's post offices are located in ZIP codes in which there are no banks, and an additional 21 percent of post offices have just one banking option within their ZIP code. Serving the needs of Americans living in these banking deserts could result in an additional revenue stream of \$8.9 billion for the Postal Service if just 10 percent of residents use the post office for affordable banking services like check cashing, bill paying, surcharge-free ATMs, and small loans instead of payday lenders and check-cashing stores.

The Postal Service provided similar financial services in the past. Between 1911 and 1967, the Postal Savings System was offered at 8,100 post offices throughout the nation. More than 4 million Americans took advantage of the service, which managed \$3.4 billion in savings at its peak. The service was particularly popular among immigrants, according to the Inspector General. The Postal Savings System limited the amount of deposits to \$500 and paid an interest rate that was capped at two percent. The Post Office then loaned these deposits to community banks at a rate of 2.25 percent, with the understanding that these funds would be used for lending to small businesses and local residents within the communities where the deposits were gathered.

Central to the Inspector General's recommendation is a strong vision of the public benefit to the overall economy that it would provide:

"By offering non-bank financial services, the Postal Service could fulfill an essential public purpose, increasing the level of financial inclusion in the United States and expanding the number of alternatives for all consumers. Promoting the financial health of all citizens and meeting the needs of the unbanked are longstanding federal priorities. Postal financial services could assist underserved families in making steps toward the mainstream financial system, possibly building up savings and eventually embracing offerings from traditional retail banks. Moreover, postal financial services would fit well with the Postal Service's founding mission to serve citizens and support the growth of commerce."

The Public Is Open to the Idea

The American public has given the idea of Postal Service banking a fairly warm reception. According to a <u>YouGov/Huffington Post</u> national scientific poll, 44 percent of Americans favor the idea of the Post Office offering basic banking services. The proposal was favored by 56 percent of those self-identifying as Democrats and 33 percent of self-described Republicans. And almost a third (31 percent of the 1,000 people surveyed) said they would "often" or "sometimes" use these publicly provided banking services if

they were available. Postal services throughout the world often provide basic banking to customers, including in some cases, savings accounts.

Using Postal Vehicles to Gather Information to Protect Communities

The Postal Service has another idea for leveraging public assets to serve the community: use postal vehicles to collect a wide variety of information that could be used to protect public health and improve the quality of life in communities.

The United States Postal Service has a fleet of vehicles that traverse regular routes over the entire country; no other institution has a broader footprint. This makes it an ideal candidate for collecting uniform information from communities across the nation. A 2010 paper by the Chief Council to the Chairman of the Postal Regulatory Commission outlined a range of ways postal vehicles could be used to monitor public health and safety conditions, including:

- Testing for Natural Gas Leaks
- Monitoring Chemical/Biological/Radiological Agents and Air Quality
- Recording Radio/Television/Wireless Signal Strength
- Pothole Mapping
- Electric/Magnetic Field Mapping

The information gathered would then be provided to other public agencies like the Department of Homeland Security, National Weather Service, Nuclear Regulatory Commission, Federal Communications Commission, and local public works departments so they can provide better services and protections to Americans across the country.

Re-Imagining the Role of Government Can Fill Gaps and Build Support for the Public Sector

In the current climate of austerity, the default of public officials is too often to hunker down and try to preserve as much of their work as they can with the limited resources provided. Instead of continuing to "reinvent" government by trying to do more with less, we need to reclaim a vision of government that acknowledges it as an essential tool for fostering social inclusion and expanding the quality of life in our communities. Let's think creatively about how to utilize the public structures we've built over generations to address emerging and future needs.



© 2014 Center for Effective Government 2040 S Street, NW, 2nd Floor Washington, DC 20009 202-234-8494

Comments Policy
Privacy Statement
Contact the Center for Effective Government