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The State of the Nation's Budget

The state of the nation's budget can be summarized in one word: underutilized. The economy is still clawing its way back from the worst recession since the Great Depression, but Congress voted to drastically scale back federal spending in 2011 instead of investing in initiatives to spur demand. As President Obama prepares to give his annual State of the Union speech later tonight (Jan. 24), we hope he will argue that in the short run, the federal government should do more, rather than less, to create demand in the economy and leave deficit reduction to 2013 and beyond.

While the recent drop in the unemployment rate suggests that the economy is finally beginning to produce jobs again, 13 million Americans remain unemployed, and 5.5 million (or 3.6 percent of the workforce) have been unemployed for six months or more. Another 10.7 million workers have given up looking for work or hold part-time jobs because they cannot find full-time work. This leaves 23.8 million workers – or 15.2 percent of the entire labor force – "underutilized."

While the monthly pace of job creation has increased (with 200,000 jobs added in December 2011), at the present rate, the country won't replace the 8.7 million jobs it lost in 2008 and 2009 until 2024. Getting the economy back onto its feet will require more government action, not austerity budgets. This means making investments, and that will require revenue. We hope the president will use his State of the Union speech to break out of the austerity frame and discuss the variety of options available to the country to raise the revenues needed for the public investments in infrastructure and education that this nation needs if we want to expand opportunity and build a middle class for the future. Here is our wish list for making that happen.

Congress should undo the debt ceiling deal made in August 2011, which is also known as the Budget Control Act (BCA). The BCA requires cutting two trillion dollars in government spending over the next nine years – which includes $100 billion in cuts in the coming year. These cuts represent the largest reduction in federal spending since the end of World War II. Cuts in government spending mean job loss and layoffs of private as well as public sector workers, more people receiving unemployment benefits and food stamps, and fewer people paying taxes.

With such severe cuts on the way, the economy is on track to take a significant hit, just when it's beginning to turn around. Instead of continuing to decrease, the unemployment rate could stay above eight percent for many more years as a result of these cuts.

While stopping the cuts would be a step in the right direction, more needs to be done. A recent analysis by the Congressional Budget Office showed that for every $1 in goods and services purchased by the federal government, the economy expanded by up to 2.5 times more (as the impact of the public spending multiplied). Funds for states and local governments to pay for infrastructure projects, such as roads or school improvements, had the same effect. Similarly, for every $1 paid in food stamps or unemployment benefits, economic activity is boosted up to $2.10, as the money is immediately put back into the economy and circulates. By contrast, when the federal government gives tax cuts or subsidies to upper-income people, they are as likely to save it as spend it, and the multiplier effects are much smaller.

The CBO report suggests that the best way to spur economic growth is to increase government spending, give states more money for infrastructure programs that create jobs, and increase safety net programs such as unemployment insurance and food stamps.

However, with Republicans insisting that all new public investments have to be "offset" with budget cuts, how do we find the large sums needed to really jumpstart the economic engine? A broad-based tax increase in this environment takes money out of the economy with one hand while trying to stimulate with the other, but more targeted tax increases could redistribute currently speculative or idle funds to more productive uses. For instance, a financial transactions tax (essentially a small sales tax on Wall Street trades) could raise over a trillion dollars over ten years; discourage high-volume, speculative trades; and make the tax system fairer while generating a decent-sized pot of funding for public investments.

Similarly, taxing capital gains at the same rate as ordinary income (something we briefly did in the 1980s) would have the effect of increasing revenues, which could be directed toward long-term public enterprises – infrastructure projects, education, green technologies, and so on. And once again, a secondary effect would be to reduce income inequality and increase tax fairness.

[For more on capital gains taxes, see our *Watcher* article "Taxing Capital Income Increases Revenue, Reduces Inequality"; for more on financial transactions taxes, see our *Watcher* article "Financial Taxes Can Raise Revenues, May Help Stabilize Markets."]

Any negative effect that tax increases on high-wealth individuals might have should be more than offset by the multiplier effects of public spending.

Of course, we know that redistributive tax increases of this kind would be impossible to implement with the current composition of Congress, but we hope the president has the strength and courage to expand the conversation on public investments, taxes, and tax fairness. In fact, the major critics of such policies will be the opposition party and political pundits. Polls show the American public supports redistributive tax policies.

Keystone Pipeline Derailed – For Now

On Jan. 18, President Obama rejected the permit for the controversial Keystone XL pipeline project, which was sought by Canadian firm TransCanada and Big Oil interests. The Obama administration determined that more study was needed to see whether the project was in the long-term national interest of the United States. Communities along the proposed pipeline route that are concerned about public health and safety issues welcomed the administration's decision, even as Republican lawmakers vowed to continue fighting for the project.

Congressional Republicans slipped a provision into a payroll tax bill in December that forced the president to decide within 60 days whether to approve or reject the project, which had not yet received the legally required economic, environmental, and safety reviews. In his statement rejecting the pipeline, Obama focused blame on the "rushed and arbitrary deadline," which he explained prevented the State Department from making a "full assessment of the pipeline's impact, especially the health and safety of the American people, as well as our environment."

The $7 billion pipeline would have transported tar sands, which are more corrosive than crude oil, from Alberta, Canada, through America's heartland to Texas. As proposed, the pipeline would cross six U.S. states, several major rivers – including the Missouri, Yellowstone, and Red Rivers – and the Ogallala Aquifer, which supplies two million Americans with drinking water and farmland irrigation. The construction and operation of the pipeline would have brought significant risks to the lives and livelihoods of those living along its route and near the refineries to which the tar sands were destined.

Reaction from Affected Communities

Thousands of communities face the prospect of a major new pipeline flowing under their homes and businesses, with the risk of leaks, explosions, and emissions that come with it. These communities include landowners, farmers, and ranchers in America's heartland, many of whom have owned their land for generations. The risk of possibly losing their land through eminent domain to a foreign corporation prompted some to organize. For instance, the Northern Plains Pipeline Landowners Group, a committee of the Northern Plains Resource Council, is a group of Montana landowners whose property would be crossed by the proposed Keystone XL pipeline. The group organized to negotiate a contract with TransCanada that would have protected landowners and public safety.

Sandy Barnick, a member of the group and a rancher whose farm near Glendive, MT, would be crossed by the pipeline, said that the impacts of the pipeline had not been adequately analyzed. "I hope this decision sets a precedent that the impacts from a project must be determined before approval," Barnick stated. Farmers and ranchers are "stewards of the land," Barnick pointed out. Their livelihood depends on the quality care of land, clean water, and livestock.

Communities near the refineries where the pipeline would have terminated include many low-income and minority groups. These communities, already subject to dangerously high air pollution from a growing number of hazardous and polluting industries within their neighborhoods, were not supportive of the proposed pipeline project. Currently, communities are "being disproportionally bombarded with refineries and power plants cooking crude oil," stated Hilton Kelley, community activist and founder of the Community In-power and Development Association (CIDA) in Port Arthur, TX. The Keystone XL pipeline would further exacerbate the heavy burden of pollution, environmental injustices, and health problems these communities currently confront. The pipeline would bring "no benefit to our community," Kelley stated, further noting that low-income communities are a target for industries because they are "areas of least resistance." Kelley added, "Enough is enough already."

Though groups praised the president's decision, they were mindful that the pipeline is still a possibility. Graham Christensen, a Nebraska farmer and Public Affairs Director of the Nebraska Farmers Union, a grassroots organization with more than 5,300 family farm and ranch family members, noted that landowners in the state were excited about President Obama's decision but were "reluctant to be too happy." The "battle is not completely over yet," he added.

Not everyone in Keystone states supported the president's decision. Some landowners and small business people in eastern Montana noted that they would make millions annually if the pipeline were built. Jeannie Barnard, manager of Big Flat Electrical Cooperative in Malta, MT, told the *Billings Gazette*, "I'm disappointed."

Business groups in Beaumont, TX, including the Greater Beaumont Chamber of Commerce, the Texas Association of Manufacturers, and the Texas Oil and Gas Association and Consumer Energy Alliance, were supportive of the Keystone XL pipeline, claiming it would bring economic benefits to the region.

Communities' Right to Know

Many applauded the administration's stand that the public has a right to know about health and safety risks *before* decisions about permitting are made. Community organizations pointed to flaws in the State Department's Environmental Impact Statements (EIS), the failure to provide emergency response plans, and the lack of a study on the corrosiveness of tar sands oil and how that may impact the structural integrity of the pipelines carrying such oil.

Communities and environmentalists believed that the State Department's Final EIS, released in August 2011, did not contain sufficient information about the potential risks from the pipeline, such as the harm from spills, the health impacts on low-income communities living near refineries, and the effects of increased greenhouse gas emissions. The EIS also failed to include in-depth analysis of alternative routes that would avoid Nebraska's Sand Hills region and the Ogallala Aquifer. The U.S. Environmental Protection Agency (EPA) strongly criticized a prior draft of the EIS, stating that it failed to "provide the scope or detail of analysis necessary to fully inform decision makers and the public."

Also, communities along the pipeline route are still waiting to see emergency response plans. The Northern Plains Pipeline Landowners Group argued that "emergency personnel (largely volunteers) and property owners who live near the pipeline, deserve an opportunity to comment on TransCanada's Emergency Response Plan prior to approval."

Key Health and Environmental Concerns among Communities

Communities near the path of the proposed pipeline worry about potential accidents and spills, water contamination, and increased air and noise pollution. Recent oil spills have deepened skepticism about the adequacy of federal pipeline regulations and the government's ability to protect public health and safety.

In July 2010, a million gallons of tar sands oil poured into the Kalamazoo River in Michigan from a pipeline run by Canadian company, Enbridge. The spill exposed residents to toxic chemicals, coated wildlife, and caused long-term damage to the local economy and ecosystem. EPA officials gave Enbridge 13 months to complete oil removal but said a full clean-up could take years. Many community members consider the Kalamazoo spill a warning of the risks that the Keystone XL pipeline poses to the Yellowstone River, the Ogallala Aquifer, and the many other water bodies that it would cross.

Heightening concerns, TransCanada's Keystone I pipeline, which runs from Alberta, Canada, to refineries in Illinois, leaked 14 times during its first year of operation between 2010 and 2011. One of the largest spills occurred in North Dakota in May, when 21,000 gallons of crude tar sands leaked from the pipeline, temporarily shutting it down. Experts warned that spills would have been more likely with the Keystone XL pipeline because of the more corrosive consistency of the tar sands oil being used. As a result, a thorough study was requested to examine the corrosiveness and risks of tar sands and their impacts on pipelines.

Increased air pollution is also a major health concern, especially for communities near the refineries where the tar sands ultimately end up. Moreover, an independent study from Cornell University estimates that the pipeline would produce almost no permanent jobs and between 2,500 and 4,600 temporary construction jobs. The dangers from the proposed pipeline loom large, and the benefits are ephemeral.

Future Uncertain

In rejecting the permit, President Obama said, "[T]he administration will allow TransCanada to reapply after it develops an alternate route through the sensitive habitat of Nebraska's Sandhills." TransCanada said it had already started to work with Nebraska authorities to find an alternative route. In fact, TransCanada stated that it may begin to build pipeline segments inside the U.S. in areas that do not require federal approval, and then later apply for permission to connect the pipeline from the U.S. segments to Canada.

Republican lawmakers have pledged to move forward with the project even without approval from the administration. Rep. Lee Terry (R-NE) introduced a bill (H.R. 3548) that would strip authority for the approval of the Keystone XL pipeline from the president and State Department and instead give it to the Federal Energy Regulatory Commission. House Republicans are also considering attaching approval of the pipeline to an extension of the payroll-tax cut and unemployment insurance, which will be reviewed in February.

Peering Behind the Curtain: Consumer Protection Agency Proposes Public Credit Card Complaint Database

In December, the Consumer Financial Protection Bureau (CFPB) proposed a public online database of consumer complaints about credit cards. The database would empower consumer choices on credit cards and position the agency as a leader in government transparency. However, the financial industry opposes disclosure and may use its considerable political influence in an effort to block public access to the information.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, passed in 2010, created the CFPB and gave it authority to address consumers' credit card complaints. Because it expects significant public interest in the complaints it receives, the CFPB has proposed to proactively disclose them online.

The Plan

In July 2011, the CFPB began accepting consumers' complaints about credit cards. The complaint form contains several short, non-narrative fields for single pieces of information such as the consumer's name, the credit card issuer involved, and the type of complaint (e.g. interest rate or collection practices). The form also includes two longer narrative fields for the consumer to describe the complaint and his or her desired resolution.

Under the current process, upon receiving a complaint, the CFPB forwards the information to the company that issued the credit card. The company handles the complaint as it deems appropriate and sends the CFPB a description of the resolution. The CFPB then contacts the consumer to ask whether he or she found the resolution satisfactory. If the issuer does not respond, or if the consumer contests the resolution, the CFPB can investigate further. Currently, none of the complaint information is shared with the public.

The CFPB received more than 5,000 complaints from its opening in July 2011 through October 2011, according to an agency report. That total includes complaints submitted directly to the CFPB by consumers, as well as those referred from other regulators.

Under the proposed policy, the CFPB would give companies one month to inform the agency if they have been incorrectly identified as the credit card issuers. After that period, the CFPB would disclose most of the non-narrative fields in an online database. Fields containing personal information, such as the consumer's name or address, would not be included in the database to protect the privacy of consumers who file complaints. The public would be able to search and download the disclosed information from the database.

Narrative fields would initially be excluded from the database because CFPB is concerned that they might contain private information. According to the proposal, the CFPB intends to study the resources that would be required to review and redact any such information before posting those fields. The narrative fields are important because they more fully explain the specific activities that are drawing complaints and the context in which they occurred, as well as the companies' responses to the complaints. These fields will allow the public to better evaluate complaints and responses.

Disclosure Benefits

A credit card complaint database would be a boon to consumers. Credit card terms and agreements can be very complicated and confusing. People thinking about obtaining a credit card would be able to search the CFPB database to see if others have complained about the company they're considering and what type of complaints were filed. A consumer who has been frustrated by repeated rate hikes, for instance, might opt to avoid credit card companies with multiple complaints about their interest rates.

Online disclosure could also boost the use and usefulness of the database. More consumers might submit complaints if they know that they will be seen by the public. Similarly, as awareness of the database grows, more consumers may make use of it to resolve their issues with credit card companies. A high public profile for the complaint database should eventually bring enough attention to abusive practices that credit card companies avoid them and respond more quickly to consumers' complaints to prevent a poor showing in the CFPB database.

The CFPB has deliberately worked to set a high standard for transparency since its start, declaring that "transparency is at the core of our agenda, and it is a key part of how we operate." The agency publishes its leader's calendar, and it extensively solicited public participation when redesigning disclosure forms for financial products to ensure they would be clearer to consumers. Establishing the credit card complaint database would further CFPB's efforts to encourage more transparency and disclosure within the financial sector.

Reactions

Credit card companies are unhappy with CFPB's proposal. The National Association of Federal Credit Unions argued in 2011 that "consumer complaints should not be publicly disclosed in any way, shape or form." Other industry groups, including the American Bankers Association and the Financial Services Roundtable, have also sought to limit the public's access to the complaint information.

Consumer advocates have voiced strong support for public access to the complaints. In May 2011, 20 organizations, including OMB Watch, sent a letter to the CFPB calling for the database to be publicly accessible. In August, 11 members of Congress sent the agency a letter supporting public access, noting that "we believe that public complaint information will help other consumers make better financial decisions up front."

"The ability to check [a] database for consumer complaints against a financial services provider before signing on the dotted line for a mortgage or credit card could potentially save people a lot of misery by helping them avoid problem providers," commented Claes Bell, a contributor to Bankrate.com.

As a member of the public, you have a chance to weigh in on this issue, too. On Jan. 23, OMB Watch issued an action alert encouraging individual consumers to voice their support for public access to the proposed database. The public comment period closes next Monday, Jan. 30.

Models for Transparency and Empowerment

Two other federal agencies currently operate public complaints databases. The National Highway Traffic Safety Administration (NHTSA), an agency of the U.S. Department of Transportation, provides online access to a searchable database of safety complaints about cars and automotive equipment. The Consumer Product Safety Commission (CPSC) launched its consumer product safety database, SaferProducts.gov, in March 2011. The CFPB's proposed database of credit card complaints would provide a third federal model for how to strengthen transparency and empower consumers.

Third-Party Audits Aren't a Panacea for Increasing Safety

The third-party audit system, in which private companies take over responsibility for inspecting worksites and production facilities, has been shown to expose Americans to significant health and safety risks while eating, working, and breathing.

A Jan. 10 report placed the blame for the 2011 *Listeria* outbreak squarely on the third-party audit system that had approved the safety of a Colorado produce processing facility only weeks before the deadliest outbreak of foodborne illness in a decade began. The first page of the third-party auditor's report clearly noted that "[n]o anti-microbial solution is injected into the water" that was used to wash the cantaloupes involved in the outbreak. This directly violated guidance from the Food and Drug Administration (FDA) about how melons like cantaloupe should be processed, yet nothing was done to correct the situation.

The report, prepared by Democratic staff of the House Energy and Commerce Committee, went on to say that the third-party auditor's failure to correct the danger shouldn't have surprised anyone. In fact, third-party auditors have been implicated in a number of other outbreaks:

- In 2010, a third-party auditor gave an egg company not only a "superior" rating, but also a "recognition of achievement" two months before a *Salmonella* outbreak sickened more than 1,600 people and led to the largest egg recall in American history.
- In 2009, a third-party auditor gave a peanut butter company a "superior" rating only six months before *Salmonella* in its products killed nine people and made 691 others sick.

"Like it or not, our food safety system relies heavily on third-party auditors," Democratic members of the committee wrote in a letter to FDA Commissioner Margaret Hamburg. And third-party audits are not only used by the FDA. They have become standard practice across several agencies and a number of federal programs.

James Belke, a U.S. Environmental Protection Agency (EPA) official, has suggested that EPA might rely on third-party audits in order to supplement the "few government auditors" who are available. Similarly, even though the Food Safety Modernization Act was supposed to increase federal inspections of food producers, FDA still has not been given enough resources to get federal inspectors to each facility more frequently than every three to five years.

In the absence of federal inspections, food retailers often require their production facilities to submit to third-party audits in an effort to ensure the safety of the food supply. Recent foodborne illness outbreaks might be traceable to the conflict of interest inherent in a privatized system: the Colorado cantaloupe producer hired its auditor, which in turn hired a subcontractor, off a list provided by one of its large buyers. In 2010, that auditor issued a passing grade to 98.7 percent of its inspections. It's not difficult to imagine that a third-party audit company that frequently issued failing grades wouldn't be the inspector chosen by either a food producer or a food retailer.

When third-party auditors replace federal inspectors, the quality of the inspection decreases. Third-party auditors do not address the same range of issues that federal inspectors do. In fact, the president of the company that audited the cantaloupe producer indicated that his company's audits only considered whether the producer was in compliance with FDA *regulations* but would not penalize a producer for failing to comply with *guidance*. He argued that FDA "guidelines are opinions," but the FDA guidance for melon production is more thorough, more specialized, and more up-to-date than the underlying regulations. He stated that his company conducted a "check-off audit and ... if it was not required, there were no deductions [off the score the company received]." To put it more plainly: a federal inspector would have caught the problem and demanded the company conform to FDA guidance standards – which would have rectified the problem that led to the *Listeria* outbreak.

Even larger problems can result when third-party auditors fail to disclose what they find to federal regulatory agencies. In 2010, EPA used third-party auditors to help companies who had held flexible air permits come into compliance with Clean Air Act requirements. EPA agreed to allow companies who chose to participate in this program to use a third-party auditor that disclosed the results of the audit to the agency as well as the company; EPA then worked with the company to develop a plan to remedy any deficiencies that the audit revealed. In contrast, in July 2011, the Occupational Safety and Health Review Commission ruled that third-party safety and health audits can be protected by attorney-client privilege if they meet certain conditions. This means that the companies do not have to share the results of their private audits with the government agencies responsible for ensuring they are adhering to current standards, even during an investigation into the causes of a serious accident or threat to public health. It is hard to see how the Occupational Safety and Health Administration (OSHA) can fulfill its mission of protecting the health and welfare of American workers without some access to information collected on how workplace hazards are being managed.

In a perfect world, federal agencies charged with protecting our well-being would have all the resources they need to protect our food, water, air, workplaces, and children's toys. In the current world, however, Congress all too often cuts inspection budgets. The third-party audit system could help to supplement public inspections – but only if these parties are holding companies accountable to the highest standards. Otherwise, a third-party auditor's "seal of approval," bought and paid for by the company producing the goods, tells us nothing about the safety of the product it has purportedly inspected.

Jobs Council Misses the Mark, Offers Unbalanced Proposals that Could Undermine Public Protections

President Obama's Council on Jobs and Competitiveness (Jobs Council) recently released its 2011 year-end report, *Road Map to Renewal*. The report comes one year after Obama tasked the Jobs Council with developing "a set of recommendations to create jobs in the short run and improve our nation's competitiveness over the long term." The report includes recommendations on tax reform, manufacturing, energy, innovation, education, and regulation and has been widely criticized for offering a one-sided "corporate" agenda. While the Jobs Council wrote that "getting the regulatory balance right is important," its proposals on regulatory "reform" narrowly favor corporate interests. The proposals, which mischaracterize the important role of regulation in protecting the American people, will not generate jobs or increase American competitiveness.

Unbalanced Reforms

The report offers three broad regulatory recommendations: enhance stakeholder engagement, improve regulatory processes, and strengthen regulatory impact analysis. Although the recommendations include some positive measures to improve electronic access to regulatory information, other reforms would delay important public protections and represent the needs of regulated parties, not the public. For example, the recommendations for enhancing stakeholder engagement include establishing a regulatory ombudsman in each agency to reach out to regulated parties and receive submissions "of regulations that are outdated, too burdensome or in conflict with agency objectives." Since regulated entities already hire lobbyists and have many more meetings with regulatory staff than public interest organizations, it is hard to understand why they need an ombudsman to ensure industry interests have even *more* access.

The recommendations also call for expanding the role of the Office of Information and Regulatory Affairs (OIRA) both in the rulemaking process and in regulatory review. Affected parties can already petition an agency to reconsider final rules, but the report suggests that OIRA should guide how agencies respond to petitions for reconsideration of final rules. This would give OIRA even more power to contradict or slow down agency rulemaking, at the behest of special interest lobbyists or the political expediencies and whims of the White House.

Perhaps the most disconcerting proposals are the recommendations to strengthen regulatory impact analysis. The report recommends extending regulatory impact analysis requirements to independent regulatory commissions (IRCs) and giving OIRA greater authority to review regulations from executive branch agencies *and* IRCs, which have traditionally enjoyed a certain degree of autonomy from the administration. The recommendation for increasing OIRA's size and involvement in rulemaking also mischaracterizes the role of agency experts and completely ignores the layers upon layers of analysis that agencies already undertake. According to the report, "[t]he work of agency economists should be evaluated by other economists, with compensation and career advancement tied to the quality of their analysis, not on whether the analysis supports decisions already made." With no supporting evidence, this insinuates that agency decision making is not informed by sound economic analysis, when in reality, major rules already undergo economic analysis at the agency and receive additional scrutiny during OIRA review.

Reforms Conflict with Public Protection Priorities

Some of the proposals in the report mirror those that have appeared in anti-regulatory bills and have been opposed by administrative law scholars, public interest groups including the Coalition for Sensible Safeguards (CSS), and the administration. The Office of Management and Budget (OMB) issued Statements of Administration Policy against a trifecta of bills passed in the House in 2011: the Regulatory Accountability Act (RAA), the Regulatory Flexibility Improvements Act (RFIA), and the Regulations From the Executive in Need of Scrutiny (REINS) Act. The administration has also demonstrated a stronger commitment to protecting public health and safety standards in recent weeks. The administration received accolades from environmental and public health groups for rejecting a permit for the controversial Keystone XL pipeline, and the U.S. Environmental Protection Agency (EPA) issued long-awaited rules limiting emissions of mercury and other air toxics from coal-fired power plants. Given these developments, the recommendations in the regulatory section of the Jobs Council report appear to contradict both rhetoric and actions taken by the administration in the past couple of months.

This may not be surprising, given the composition of the 27-member Jobs Council. It is heavily weighted with chairs and CEOs of major corporations, and the Council has been criticized for favoring the interests of the 1 percent. Of the two Council members representing American workers, one union leader abstained from the vote (United Food and Commercial Workers President Joseph Hansen), and the other issued a dissent to the report. In his dissent, AFL-CIO President Richard Trumka faulted the report for failing to recognize the problems caused by inadequate regulation. "The report addresses regulatory issues as if we were not in the midst of a prolonged economic crisis whose proximate causes clearly included inadequate regulation of business, and in particular financial markets and institutions," he said.

The report also ignored the public benefits of regulation. OIRA Administrator Cass Sunstein has reported that over the Obama administration's first three years, the net benefits of the regulations it enacted were $91.3 billion. Yet the Jobs Council recommendations on regulatory "burdens" made little mention of the health, environmental, and innovation-generating benefits of environmental and workplace standards. As a *New York Times* editorial noted on Jan. 23, "The council's recommendations have resembled not so much expert advice as a corporate wish list." It's a wish list the country can't afford and the administration should reject.

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