Government Matters

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In This Issue

Time for Three Strikes and You're Out for Banks?

by Katherine McFate

On May 20, five of the biggest banks in the world pleaded guilty to charges of interest rate manipulation and agreed to pay $2.8 billion in fines for the felonies they committed. Two of the banks, J.P. Morgan Chase and Citigroup, are U.S.-based. Each has a long rap sheet of recent settlements for their corporate misdeeds, and each has paid large fines and settlements -- nearly $35 billion in the case of JP Morgan Chase. But otherwise, these businesses go on with no reduction of rights or privileges and with no decision makers being sent to prison.

A criminal double standard: individuals go to jail for illegal acts, but corporations get probation and business as usual.

In the United States, when individuals are convicted of felonies, they lose many rights and are often jailed. Forty-eight states ban felons from voting while they are in prison, and 11 states may ban felons from voting for the rest of their lives, depending on the nature of their crimes. Convicted felons also have a hard time getting jobs, particularly in occupations requiring high levels of trust - like banking.

Federal Deposit Insurance Corporation (FDIC) regulations explicitly bar banks the agency insures from hiring or associating with "any person who has been convicted of any criminal offense involving dishonesty or breach of trust or money laundering, or has agreed to enter a pre-trial diversion or similar program in connection with a prosecution for such offense."

So, if you commit fraud by writing a bad check and get convicted, a bank can't hire you, but if you are a bank and have committed fraud on a massive scale, the FDIC will continue to insure your deposits.

While some bank lawyers were sitting across the table from Justice Department attorneys hashing out the details of last month's plea deal and settlements, other bank employees and contractors were busy lobbying the Securities and Exchange Commission (SEC) and the U.S. Department of Labor for waivers to allow them continued access to special perks and privileges. Even after their organizations were found to have deliberately manipulated financial rules, they argued for expedited review of corporate stock offerings and the ability to continue to manage pension funds.

Without these waivers, banking operations would be hampered, so SEC Chair Mary Jo White, accused of slowing down disclosure rules on CEO-to-worker-pay and the establishment of better oversight of financial institutions, quickly waved the waivers through, clearing the way for the settlement.

Big banks are notorious repeat offenders. Clearly, fines are just a cost of doing business. So how about some real deterrents?

Twenty-eight states have "three strikes and you're out" rules for individual people who are repeat offenders. If you commit three felonies, which can be as inconsequential as shoplifting more than $50 worth of merchandise three times, you can be sentenced to mandatory, decades-long prison terms or even life in prison if the crimes are serious enough.

But if you're a bank manager, your institution can commit massive offense after massive offense, bilk Americans out of billions of dollars, and you won't go to jail. Indeed, your institution may not even lose privileges that are -- or should be -- only available to law-abiding corporations. As just one example, see JP Morgan Chase's rap sheet below.

Date	Offense	Agency Involved	Admit Wrongdoing	Financial Settlement
June 2011	Misleading investors on collateralized debt obligations	SEC	No	$153.6 million
July 2011	Depriving municipalities of competitive process when they issue bonds	Justice Department	Yes	$228 million
Feb. 2012	Foreclosure abuse	Justice Department and 49 state attorneys general	No	$5.29 billion
Nov. 2012	Misstating delinquency status of mortgages	SEC	No	$269.9 million
Jan. 2013	Additional foreclosure settlement	Justice Department and 49 state attorneys general	No	$1.8 billion
July 2013	Electricity price manipulation	Federal Energy Regulatory Commission (FERC)	No	$410 million
Sept. 2013	Illegal credit card practices	Consumer Financial Protection Bureau (CFPB)	No	$389 million
Sept. 2013	Failure to supervise employees - London Whale	SEC	Yes	$920 million

Oct. 2013	Violations that harmed Fannie Mae and Freddie Mac	Federal Housing Finance Agency	No	$5.1 billion
Nov. 2013	Selling bad mortgages to intuitional investors	21 institutional investors	N/A	$4.5 billion
Nov. 2013	Selling "toxic mortgages"	Department of Justice	Yes	$13 billion
Dec. 2013	LIBOR interest rate rigging	European Union	Yes	$108 million
Jan. 2014	Role in Madoff Ponzi scheme	Department of Justice	Yes	$1.7 billion
Nov. 2014	Currency manipulation	Commodity Futures Trading Commission / Office of the Comptroller of the Currency	No	$1.34 billion
May 2015	Interest rate manipulation	Department of Justice	Yes	$550 million
			TOTAL	**$34.8 billion**

Although last month's Department of Justice announcement represents a welcome departure from its past practices of settling corporate crimes without demanding an admission of guilt, in recent years, government lawyers have typically entered "deferred prosecution agreements" with violating corporations. These agreements represent a sort of "parole before conviction"; if corporations behave and don't break that particular law again over a set period of time, the criminal charges against them are forgiven.

Deferred prosecution agreements have long been used with individuals, extending them to corporate crimes was the brainchild of former Attorney General Eric Holder when he was an Assistant Attorney General in the Clinton administration.

They have been wildly unsuccessful in changing the behavior of powerful Wall Street banks. In fact, several banks have multiple deferred prosecution agreements in place, each for a different offense. Imagine a prosecutor saying to a thrice-convicted felon in a "three strikes and you're out" state, "Well, one of your crimes was for shoplifting, another for drug possession, and a third for assault. You haven't committed the same offense more than once, so we're good."

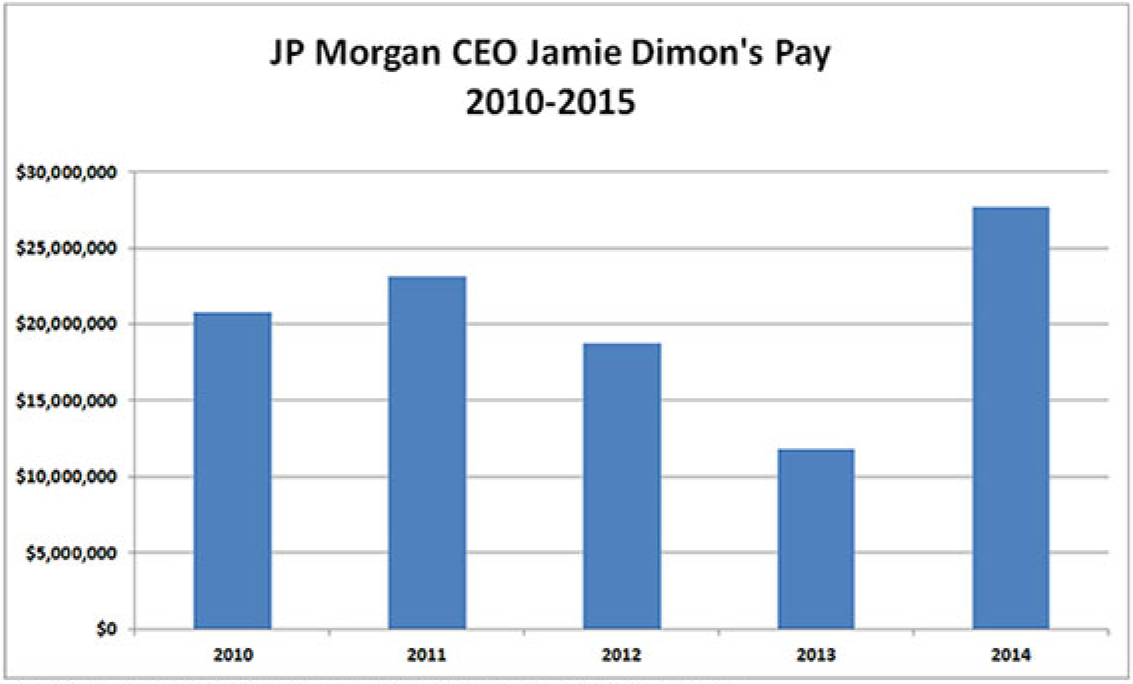
The deference shown by U.S. prosecutors toward banking executives in the 2008 lending crisis that caused the Great Recession is in stark contrast to what happened during an earlier period of fraud among financial institutions: the savings and loan crisis of the 1980s. That crisis, which involved massive commercial real estate fraud, was only one-seventh the size of the 2008 bank crisis. But it cost U.S. taxpayers more than $130 billion in bailout funds and resulted in the closure of nearly one-third of the savings and loan industry.

In that crisis, savings and loan regulators made over 300,000 criminal referrals that resulted in over 1,000 major felony convictions. The regulators worked with the FBI and Department of Justice to create a list of the 100 worst fraud schemes, involving 300 savings and loan institutions and 600 individuals. All of those 600 people were prosecuted and 90 percent were convicted. Of the 2,300 FBI agents working on white collar crime at that time, 1,000 of them were working on savings and loan industry cases. Hundreds of people served jail time, including an 11-year sentence for Charles Keating, who was at the center of the corruption scandal.

In the financial crisis of 2008, the same regulatory agency made no criminal referrals against of the hundreds of thousands of fraudulent mortgage loans that were made; the office that regulates the largest national banks leveled no criminal allegations, nor did the Federal Reserve. In spite of the fact that the FBI had warned of "an epidemic of mortgage fraud" in 2004 and predicted a financial crisis unless it was stopped, only 120 FBI agents were assigned to work on mortgage fraud in 2007 when things started falling apart. There was no national task force, and the cases that were brought failed to focus on the largest institutions producing "liars loans" and other fraudulent products.

The resulting meltdown immediately cost more than 8 million Americans their jobs. Over 16 million foreclosure notices have been filed since 2007, according to Reality Trac. Despite the financial devastation borne by American families, only one high-level banker - Credit Suisse executive Kareem Serageldin - has been criminally charged and sent to jail.

Even more telling: CEOs leading the banks that blew up the financial sector and stole the wealth of middle-class families have not only stayed in their jobs, some have also enjoyed huge pay increases - while their companies are paying large fines and settlements for the criminal activity over which the CEO presided. What kind of a message is this sending?



Source: JP Morgan Chase & Co. Proxy Statement, Securities and Exchange Commission

Deterring future white collar criminal activity means prosecutors and Congress have to get serious about corporate crime.

How can we change illegal but profitable behaviors and reduce corporate crime?

1. **Enforce federal and state rules banning corporate felons from doing business with any public entity.** Lucrative taxpayer-funded contracts should go to businesses that respect the law and don't defraud taxpayers and consumers.

2. **Ban corporate felons from political participation: restrict them from spending any money on lobbying, from supporting any 501(c)(3) or 501(c)(4) organizations that attempt to influence policy, and prohibit their officers and executives from making campaign finance gifts for a number of years, just as we ban other felons from voting.** Over the last five years, JP Morgan Chase and Citigroup have spent $34.8 million and $26.9 million lobbying Congress, respectively. And each has spent more lobbying the Securities and Exchange Commission and the Consumer Financial Protection Bureau in an attempt to delay pro-consumer rulemaking. While corporations are barred from donating directly to candidates or party committees, they can and do contribute to political action committees. There are over 1,000 corporate-related PACs. Moreover, highly paid employees of corporations may "bundle" individual contributions to support candidates that share their values.

3. **Curtail the Securities and Exchange Commission's power to grant waivers to protect corporate repeat offenders.** There are good reasons why the FDIC and SEC both bar felons from employment in the industries they regulate. Why should they continue to grant special privileges to the corporations guilty of repeated violations of the public trust?

4. **Establish "capital" punishment for persistent serious multiple offenders.** Three strikes and your banking license is gone.

This article first appeared in the *Huffington Post*

"I Am Suffocating Under a Pile of Student Loan Debt"

by Janalan Tomita

Student loan debt is now the largest contributor to our country's overall debt burden. The total amount of student loan debt is now more than $1.2 trillion, and on average, students graduate with $30,000 of debt, which can take 20 years or more to pay off.

In a few weeks, I will obtain my degree from the University of California, Irvine and officially begin repaying my student loans. As this burden becomes all too real, several questions arise: Can I afford to take an internship when repayment on my student loans will soon begin? How can I make enough to afford the everyday cost of living and make my student loan payments on time? Should I go to graduate school, knowing I will only increase my student loan debt? A generation ago, college graduates thought about buying a house or starting a business. Now they have to organize the next 20 years of their lives around paying off massive amounts of debt.

I currently owe an estimated $70,000. If I decide to attend law school, that $70,000 will easily triple. It is difficult to qualify for financial aid due to the middle-class status that my family enjoys. Some critics might say that attending community college for the first two years is a more affordable option that more students should explore, but doing so would mean losing out on two years of friendships, collaborative networking, and other benefits that a four-year college or university brings to students.

As a citizen and a financial contributor to this country, shouldn't I be afforded the ability to attend a four-year public university without worrying about accumulating overwhelming amounts of debt? As a country that prides itself on the American dream shouldn't the United States ensure that student loan debt doesn't overburden and overwhelm graduating students and prevent them from realizing the promises of this great nation?

I am deeply troubled by the loss of livelihood and welfare that my classmates and I will face because of our large debt burdens.

This is only one story, and there are many others who are in similar or worse situations than what I have described.

University of California, Santa Cruz (UCSC):

John is a transfer student and a graduating senior at UCSC with $30,000 in student loan debt. He is frustrated to have so much debt when he attended community college for his first two years of higher education.

John feels that the problem with student loan debt stems from the Free Application for Federal Student Aid (FAFSA) system. In order to qualify for federal student aid, students must fill out the FAFSA annually, which includes multiple sections regarding one's background information. John was offered little financial aid because of his father's high income. However, John's father believes that after children turn 18, they are on their own. Thus, John has no financial help from his family to pay for college. He is also disappointed that the public University of California System has tripled tuition in the last ten years. Without financial support from his family, John will be burdened with significant monthly student loan payments for many years and will have to forego opportunities to increase his financial security and improve his quality of life. He has essentially been shut out of the American dream.

University of California, Los Angeles (UCLA):

Sarah is a graduating senior at UCLA with approximately $22,000 in student loan debt, despite receiving a significant number of grants as an undergraduate student. Sarah is the first in her family to attend college, which means that she and her family had no experience with student loans. She hopes to work full-time this summer in order to pay off some of the interest she has already accrued. Once she begins law school, her federal loans will be deferred until she completes her degree, but Sarah estimates that her debt will greatly increase because there are fewer grants available for law students. In order to save money while pursuing her advanced degree, Sarah plans to move back in with her parents.

University of California, Riverside (UCR):

Alice is a graduating senior at UCR with $31,000 in student loan debt. She is not planning to attend graduate school right away because she wants to work and pay off some of her debt. She lives frugally by renting the cheapest housing and buying all of her goods from thrift stores and discount stores. She is also in charge of paying for her own medical care, general living expenses, transportation, and travel. Though she was able cover her tuition and rent with financial aid, she still accumulated debt through living expenses and educational programs. Since she was unfamiliar with the student loan process, she and her family were unaware that her student loans would need to be paid back with interest.

University of California, San Diego (UCSD):

As an out-of-state student, Sean will graduate with $160,000 of student loan debt. It frustrates him that he must pay additional fees simply because he is not a California resident. He believes that public universities should make it easier to qualify for in-state residency, and state governments should invest in higher education. Also, he thinks that administrative salaries should be capped, and cities should focus on increasing the amount of affordable housing and public transportation available to students. Sean hopes that more Pell Grants, which are federal grants that do not need to be repaid, will be available to students in the future. He expects to spend a couple decades repaying his debt.

Student debt affects all of us.

The student loan debt crisis does not merely concern students, however; it affects everyone. People in my generation are less likely to buy houses and cars, get married and start families, and work in the public and nonprofit sectors that serve our communities. We cannot afford mortgages, insurance, and saving for retirement. The student loan debt we incur keeps us from fully participating in the economy we worked so hard to become a part of, and it forces us to defer the very things that defined being a responsible, successful member of society in previous generations.

According to the researchers of a 2015 study by the University of South Carolina and University of California, Los Angeles, those with student loan debt had higher levels of depression. This study, among others, reveals how student loan debt relates to our ability to function as members of society. These factors could lead to unstable relationships and a decrease in the health of future generations, adding one more pressure to an already shrinking middle class.

Some policymakers have worked to address the student debt problem, but we need more comprehensive and effective solutions.

The Obama administration has created programs that give some relief to student loan borrowers. Officials have introduced an array of programs for paying back student loans, such as the Pay As You Earn (PAYE) Repayment Plan, the Income-Based Repayment (IBR) Plan, and the Income-Contingent Repayment (ICR) Plan. Each of these programs is useful because they allow students to reduce the monthly amount they pay on their loans. Other programs focus on forgiving student loans in exchange for public service, including Teacher Loan Forgiveness, Public Service Loan Forgiveness, and the Perkins Loan Cancellation and Discharge Program.

While these programs are helpful to students with surmounting debt, they are only short-term solutions for long-term problems. Despite the positive aspects of these programs, until the debt is actually extinguished, student borrowers continue to lose out on all sorts of opportunities. There are some signs of hope. Two of the leading advocates in addressing the student loan debt are Sen. Elizabeth Warren (D-MA) and Sen. Bernie Sanders (I-VT). Each has introduced a bill in the current Congress to combat the student debt crisis.

Warren's bill, the Bank on Students Emergency Loan Refinancing Act (S. 793), would help students refinance the unpaid principal, accrued unpaid interest, and late charges on their Federal Direct Loans. However, this legislation would not address the size of student loan payments, which often rival or even exceed payments on a car or a house, or the higher education tuition spikes that cause the amount of student loan debt to skyrocket.

A more promising approach was recently offered by Sanders in his bill, the College for All Act (S. 1373). This bill would eliminate undergraduate college tuition at all public colleges and universities, decrease interest rates by 50 percent, enable the refinancing of student loans (much like mortgages), increase the availability of work-study programs, and simplify the financial aid application. Since the federal government bailed out the big banks during the 2008 financial crisis, Sanders believes it is time for the big banks to give back by helping to underwrite these proposed programs. His bill would do this with a small tax on Wall Street transactions. The legislation also looks into the high costs of college itself.

There are many factors and obstacles that must be addressed in order to resolve the student loan crisis and the challenges it places on millennials. Most public universities have drastically increased tuition over the years, and this is not just a state issue. If public universities receive federal funding, they should be required to take steps to make the cost of college affordable.

Together, we must recognize that student loan debt and the ever-increasing cost of higher education is not a concern of the few, but a worry for the many. At a time when the U.S. trails most other nations in literacy, math skills, and reading comprehension, we can ill-afford to price people out of an education beyond high school. The choice is ours: we can control higher education costs and help those already suffering under them, or we can stand by and watch our middle class continue to be decimated.

Map Displays Five Years of Oil Pipeline Spills

by Amanda Frank

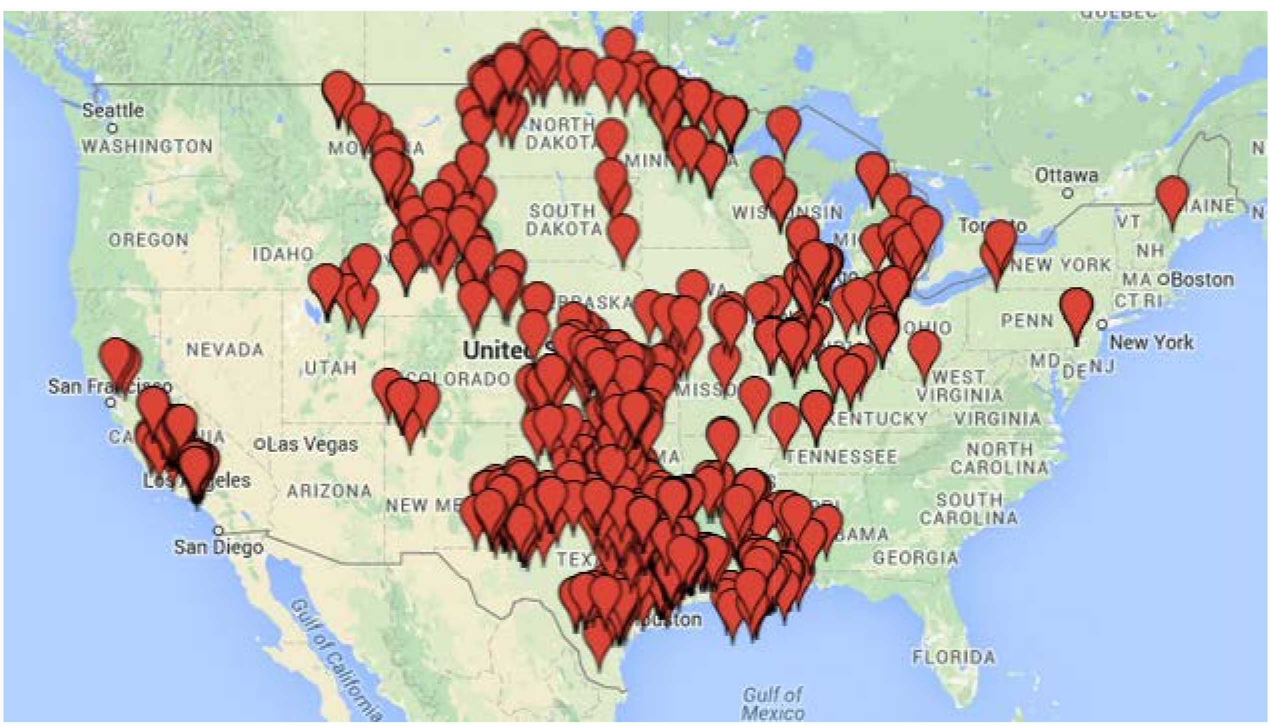
On June 14, a natural gas pipeline ruptured and burst into flames near Cuero, Texas, releasing an estimated 165,000 pounds of toxic volatile organic compounds into the air. Nearby residents evacuated their homes, but no one was injured. Still, the accident serves as another reminder of the dangers of transporting natural gas and other hazardous materials.

Industry insists that pipelines are safe, but ruptures and leaks are a daily occurrence. Eighty people have died and 389 have been injured in such incidents in the last five years.

Since 2010, over 3,300 incidents of crude oil and liquefied natural gas leaks or ruptures have occurred on U.S. pipelines. These incidents have killed 80 people, injured 389 more, and cost $2.8 billion in damages. They also released toxic, polluting chemicals in local soil, waterways, and air.

Over 1,000 of these incidents occurred on pipelines carrying crude oil. High Country News, a nonprofit news organization in Colorado, mapped these spills:

Crude Oil Pipeline Incidents, 2010 to Present

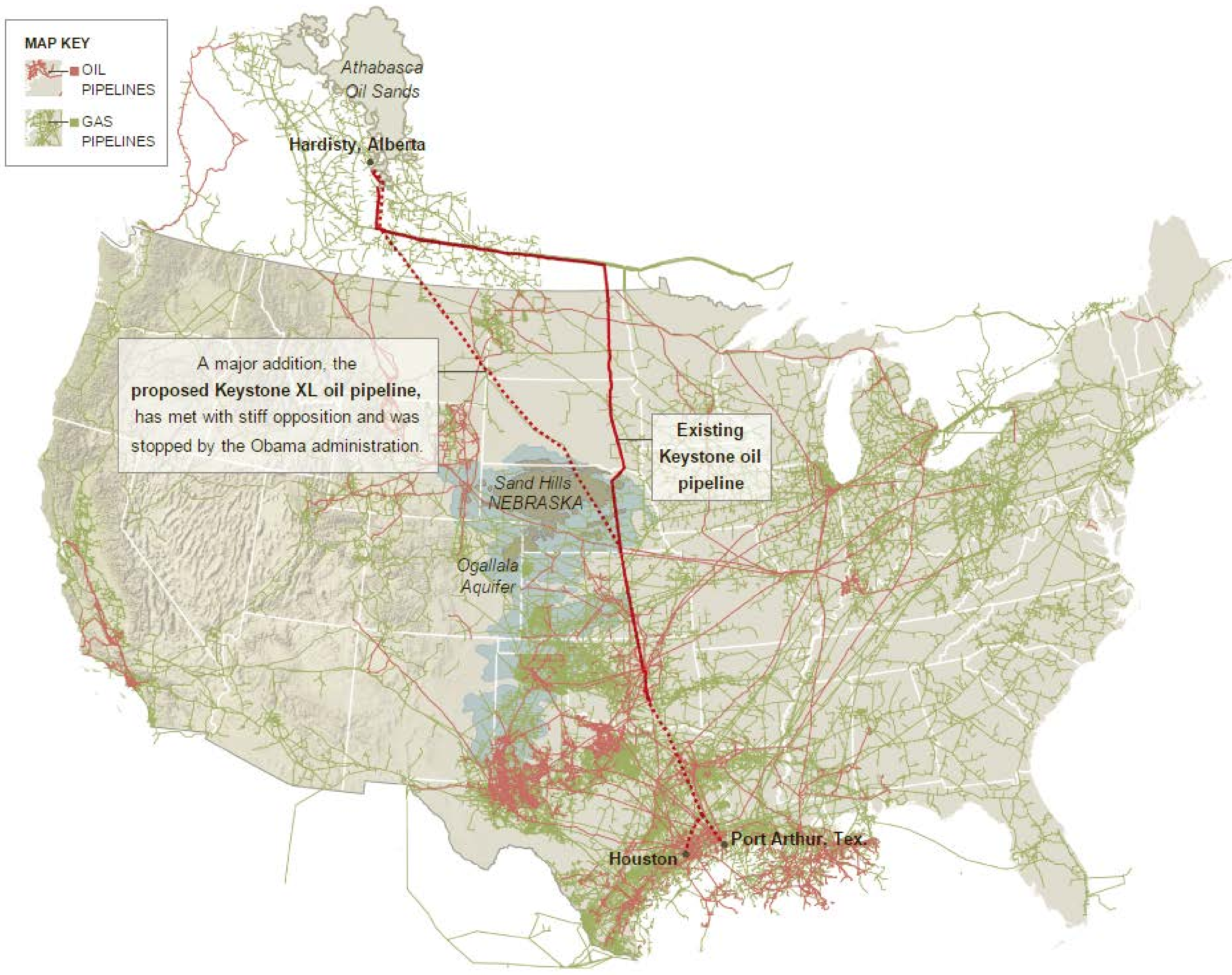


Source: *High Country News*

According to the Pipeline and Hazardous Materials Safety Administration, these spills and ruptures released over 7 million gallons of crude. Individual leaks ranged from a few gallons to hundreds of thousands of gallons. One of the largest spills happened in North Dakota in 2013 when lightning struck a pipeline, which leaked over 840,000 gallons of crude onto a wheat field.

Much of this crude originates in the oil fields of Texas and North Dakota. But accidents frequently occur with pipelines that just transport crude through states to refineries. Thus, states not directly involved in the oil fracking boom still face substantial risks to public safety and the environment from crude transport.

Oil and Gas Pipelines



Source: *The New York Times*

Aging pipelines and few inspections contribute to failures.

Nearly half of America's crude oil pipelines are more than 50 years old, increasing the chance of corrosion and failure. Human error and failure of operators to act on potential vulnerabilities in their pipelines also contribute to accidents. So do natural phenomena like lightning and earthquakes.

Moreover, only 139 federal pipeline inspectors are responsible for examining over 2.6 million miles of pipelines. That's nearly 18,000 miles of pipeline per inspector – clearly not enough to ensure the integrity of our nation's aging pipeline infrastructure.

Additional funding for inspections is an important step. But to completely avoid these accidents, we need to shift to renewable energy sources.

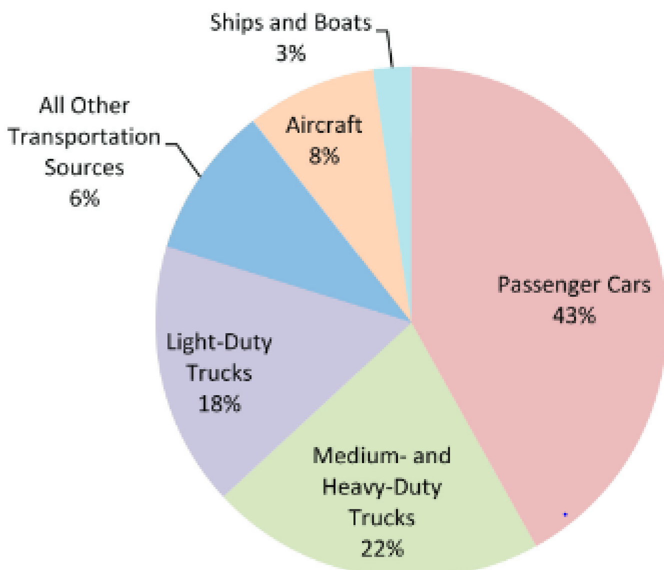
Are you living near a pipeline? Visit the interactive map from the National Pipeline Mapping System to see what pipelines cross your state.

Does EPA's New Finding on Airplane Emissions Clear the United States for Takeoff on Climate Change Standards?

by Daniel D'Arcy

Earlier this month, the U.S. Environmental Protection Agency (EPA) released a proposed finding that linked airplane emissions to climate change and adverse public health effects, setting the stage for future standards on aircraft emissions. In the past few years, the EPA has moved forward with regulating greenhouse gases from electricity and transportation, which make up 60 percent of all climate change pollution in the U.S. Will it push one more rule through?

Airplanes make up eight percent of greenhouse gas emissions from transportation. This may not sound like a lot, but it adds up quickly, especially when combined with climate change pollution from cars, trucks, and other vehicles.



Share of U.S. Transportation End-Use Sector GHG Emissions by Source*

EPA has taken action against climate change pollution in other areas, and its efforts are already meeting with success.

If EPA takes action and helps airlines reduce their pollution, the agency will have tackled more than 90 percent of greenhouse gas emission sources in the transportation sector. Here are some of the other areas where EPA has already taken action:

- **Cars and light trucks** account for about three-fifths of greenhouse gases emitted in the transportation sector. In 2010 and 2012, EPA set emission standards for new vehicles that grow more stringent each year and are tougher for larger vehicles. Manufacturers meet these standards by improving fuel economy and taking other measures to increase energy efficiency. These standards are expected to reduce light-duty vehicle greenhouse gas emissions by around 20 percent by 2030 and will reduce lifetime vehicle emissions by six billion metric tons – all while saving drivers thousands of dollars at the pump.

- **Heavy-duty trucks produce roughly 22 percent of greenhouse gas emissions in the transportation sector.** EPA recently announced standards that require manufacturers to improve the fuel economy of heavy-duty trucks by 24 percent by 2027. This move will also reduce fuel costs by $170 billion over vehicle lifetimes. Under the new standards, a tractor-trailer that currently averages five to six miles per gallon would eventually average around nine miles per gallon.

- The biggest move will come in August when EPA is expected to finalize the highly anticipated **Clean Power Plan Rule**. Coal-burning power plants alone make up a staggering 77 percent of total carbon dioxide (CO_2) emissions in the electricity sector. The proposed rules would reduce CO_2 emissions at coal-burning and other power plants by 25 percent by 2020 and by 30 percent by 2030, compared to 2005 levels.

How does this work fit into international efforts to combat climate change?

The U.S. is the second largest global emitter of CO_2, so any actions we take will have significant impacts far beyond our borders.

In 1997, the Kyoto Protocol, a treaty designed to decrease global CO_2 emissions, was introduced at the United Nations Framework Convention on Climate Change. Only two nations – Andorra and the United States – failed to ratify the treaty. Andorra, with a population of 80,000, emitted 517 kilotons (kt) of CO_2 in 2010; the U.S. emitted eleven thousand times as much that same year.

Now 18 years later, the nations of the world will convene this December in Paris to negotiate legally binding measures to mitigate the effects of climate change. Thirty-nine nations, including the U.S. and Andorra, have announced emission reduction goals that would aid in preventing global warming from exceeding an increase of two degrees Celsius by the end of the century. The U.S. intends to cut emissions by 28 percent by 2025 (based on 2005 levels), and reducing climate change pollution from aircraft, cars, trucks, and other vehicles will have to be part of those efforts in order to be successful.

As EPA recently noted in a new report, the benefits for Americans would be immense. They would include:

- 57,000 American lives saved due to cleaner air by 2100
- 12,000 lives saved in 49 major American cities due to decrease of extreme heat by 2100
- $6.6-$11 billion saved from damage to crops
- $3.1 billion coastal property damage saved from sea level rise and storm surge

The need for action on climate change is dire, and Congress has to stop obstructing progress.

2015 is on track to be the hottest year globally since recordkeeping began, and despite overheated, misleading rhetoric to the contrary, climate change shows no signs of stopping. Despite this, the Obama administration is already facing strong opposition from industry and its allies in Congress, including planned budget cuts that could severely impact the EPA's ability to develop and implement new greenhouse gas rules.

This is irresponsible and short-sighted. We need these safeguards in place if the U.S. is to be a credible partner at the Paris negotiations and to lead the world away from a climate cataclysm. The potential airplane standards are a small but essential piece of this effort.

A Victory for Americans' Safety: Senate Rejects Proposal that Would Have Crippled the National Weather Service

by Daniel D'Arcy

As a college undergraduate, I majored in meteorology. When you walk into your first college meteorology class, you ask your classmates two questions: 1) Which weather event made you want to be a meteorologist? 2) Do you want to be a broadcast meteorologist or work for the National Weather Service (NWS)? While Americans usually hear a tornado or winter storm warning from meteorologists on television or radio, it is the unseen and unheard professionals at the National Weather Service who issue the warnings. But Sen. John Thune (R-SD) recently introduced a bill with a provision that would have cut weather service jobs and made it harder for the agency to alert the public when hazards arise. Following strong criticism and opposition, the Senate tabled this part of the bill.

The original bill, titled the National Weather Service Improvement Act, would have been a disservice to Americans. In the U.S., there are 122 NWS forecasting offices. Thune's proposal would have drastically reduced the role of these offices and transferred their resources to six regional centers. He claimed this would have improved the weather service by encouraging better communication of severe weather warnings. But this downplayed the value that local weather service offices bring to the American people.

Local forecasting offices play an integral role in tracking severe weather. Last week, Tropical Storm Bill made landfall in southeastern Texas. The National Hurricane Center (NHC) monitors such storms and issues advisories and forecasts, but it does this through close coordination with the local NWS forecasting offices in impacted areas. Prior to landfall, 12 local offices issued flash flood watches in anticipation of heavy rain.

If Thune’s bill had been signed into law, these 12 offices – along with the other 110 dotted across the country – would have largely been lost. The local offices would have retained their radar and at least one warning coordination meteorologist to launch weather balloons and communicate with emergency management. But this immense short-staffing would have been counterproductive – especially since Thune’s reasons for this legislation included concerns that NWS staff has become overwhelmed during severe weather outbreaks.

Meteorologists and the people they want to inform have already experienced serious setbacks that have imperiled public safety. In March 2013, a 10-month-long hiring freeze began at the NWS because of budget cuts. When the freeze ended, an astonishing 548 positions were vacant – nearly 15 percent of all NWS positions. Even more concerning was that nearly three-fourths of these positions were considered "emergency essential," and many were in Tornado Alley in the Great Plains and Midwest.

Following the introduction of Thune's original bill, the meteorology community pushed back. The NWS Employees Organization stated, “Likely it would mean the elimination of over 1,000 meteorologists' jobs. It would take a decade for the field of meteorology to recover from a blow like that and [for] those meteorologists to be absorbed back into the enterprise.” The Bureau of Labor Statistics in 2012 estimated there were only about 11,100 meteorology jobs in the U.S., so this legislation would have made one in ten unemployed.

A study published in the American Meteorological Journal found that forecasters’ local knowledge aids in their predictions, something that is lost when weather offices are regionalized. There are many weather phenomena unique to specific regions, such as the Santa Ana winds in California, chinook winds in the Rockies, the dry line in the plains, and the sea breeze in Florida, and local meteorologists are best able to accurately forecast their impacts.

Neighborhood weather forecasting offices also work closely with emergency management officials, keeping them informed during severe weather events and helping them warn people in the path of danger. Forcing emergency management offices to rely on regional forecasting centers would have only hampered their ability to respond quickly and accurately.

My fellow meteorologists and I have studied calculus, physics, and atmospheric dynamics to qualify for this critical profession. We want to put our specialized skills to work for the public. We feel this work is even more important – and challenging – because of the increased volatility and severity of weather events due to climate change.

Thune’s original legislation was misnamed and would have undermined the ability of the National Weather Service to effectively forecast the weather and warn Americans of impending disasters. Thanks to the efforts of concerned professionals and the people they serve, the Senate rejected the problematic provision.

Now senators can move forward and start a dialogue with meteorologists and the American people on how to best ensure lifesaving information is communicated to the public while avoiding previous errors in communication and contractor practices.

Once Again, Benefits of Public Standards and Safeguards Far Outweigh Costs

by Ronald White

The Office of Management and Budget (OMB) recently issued an annual report to Congress that finds **the benefits of major standards and safeguards far outweigh their costs**. It serves as yet another indicator of the value of public protections and the positive impacts they have on Americans' everyday lives.

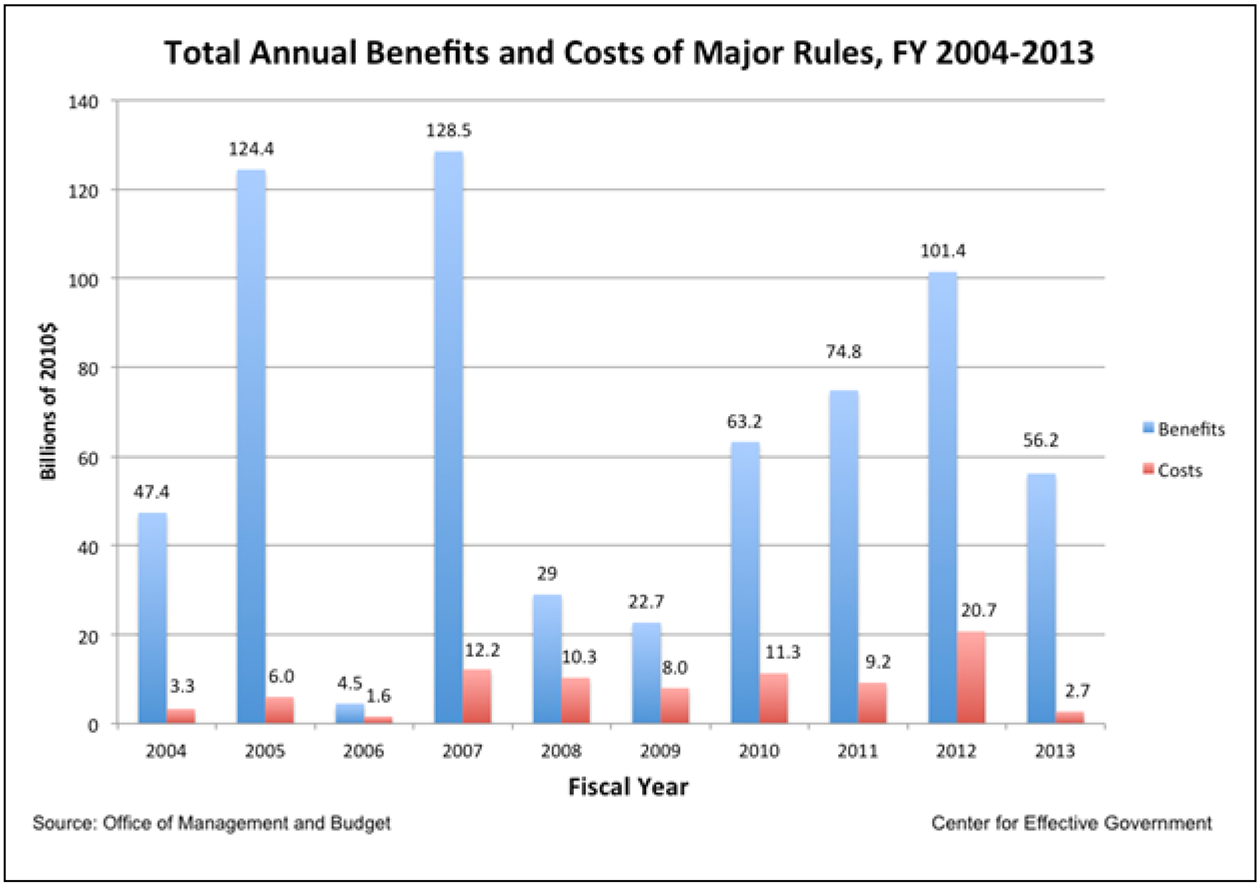
The report, required under the Regulatory Right-to-Know Act, summarizes the benefits and costs of major federal rules issued between fiscal years 2004 to 2013. Major rules have an anticipated annual economic impact of $100 million or more and are subject to review by the Office of Information and Regulatory Affairs at OMB.

The benefits of public protections vastly outweigh their costs.

The version OMB submitted on June 15 updates a draft report released in June 2014, and it assesses the yearly benefits and costs of 116 “major rules” issued by nine federal agencies during the past decade. OMB found that the **total benefits of these rules outweighed costs by as much as a 10-1 margin**.

Specifically, the report found that the total annual benefits of these rules ranged between $262 billion to $1 trillion over 10 years, compared to estimated costs of between $69 and $102 billion (in 2010 dollars).

As illustrated in the figure below, the report also finds that **the benefits of rules exceeded their costs every year** of the ten-year period. In some years, the benefit-to-cost ratio reached more than 20 to 1.



Note: The figures shown in the chart above represent the midpoints of the range of benefits and costs estimated for the rules issued in each fiscal year

But this may be just the tip of the iceberg: as the report indicates, "in many instances, agencies were unable to quantify all benefits and costs...the monetized estimates we present necessarily exclude these unquantified effects." In other words, the full benefits of standards and safeguards are even greater than what OMB included in the report estimates.

The vast majority of the estimated benefits and costs come from 24 air pollution rules the Environmental Protection Agency (EPA) issued over the past decade.

EPA rules have contributed to a substantial improvement in air quality and public health. For example, levels of small particle pollution, linked to a host of health impacts including early death, lung cancer, and low birth weights in babies, declined by 34 percent between 2000 and 2013.

In addition to environmental protections, the report examined public protections related to food safety, worker safety, transportation safety, patient safety, consumer finance, and safety of imported goods and foods.

The report underscores previous findings that the public protections developed by the federal government not only safeguard our health and safety, they make economic sense, as well.

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