White House unveils corporate deregulation scheme

By Joseph Kishore
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The Obama administration this week released details of its plans to sharply cut regulations on corporations, as part of the effort to eliminate all constraints on big business profit-making.

The White House deregulation scheme was initially announced in January, as part of the right-wing shift by the administration in the wake of the 2010 elections. This shift included an agreement in December to extend tax cuts for the wealthy. The release of the first installment of proposed deregulation now comes as the White House is engaged in negotiations aimed at sharply cutting federal health care programs.

The venue for the White House announcement was almost as significant as the details. The initial proposal in January was made in an opinion piece by Obama in the *Wall Street Journal*. This week, Cass Sunstein, the administrator of the Office of Information and Regulatory Affairs, announced the conclusion of a four-month examination of all regulations in another article in the *Journal*.

Sunstein followed up the *Journal* piece with a speech at the right-wing American Enterprise Institute, known for its vociferous opposition to any restrictions placed on the corporate and financial elite. Sunstein began by praising the “excellent work on regulatory policy that has been done at AEI for many years.”

As with Obama’s earlier announcement, Sunstein’s comments echoed all the standard anti-regulatory rhetoric of the ultra-right. Obama, Sunstein wrote in the *Journal*, called for “an unprecedented government-wide review of regulations already on the books so that we can improve or remove those that are out-of-date, unnecessary, excessively burdensome or in conflict with other rules.”

Thirty federal agencies had made proposals to eliminate or modify hundreds of regulations, Sunstein added, in order to “save private-sector dollars [i.e., corporate and bank profits] and unlock economic growth by eliminating unjustified regulations.”

While details are still emerging, the deregulations will have a significant impact on public safety. One of the proposals, for example, would, according to Sunstein, “eliminate the obligation for many states to require air pollution vapor recovery systems at local gas stations, on the ground that modern vehicles already have effective air pollution control technologies.” Of course, not all vehicles on the roads fall into this category.

Another aspect of the anti-regulatory drive will focus on the Occupational Safety and Health Administration (OSHA), responsible for monitoring workplace safety and injuries. Sunstein told the American Enterprise Institute that the new rules would “remove over 1.9 million annual hours of redundant reporting burdens on employers and save more than $40 million in annual costs. Businesses will no longer be saddled with the obligation to fill out unnecessary government forms.”

This presentation—that corporations are burdened by needless regulations relating to workplace safety—is an utter fiction. In fact, US workplace injuries are systematically underreported. As detailed in the recent investigation into the Upper Big Branch mine disaster, which killed 29 coal operators in April 2010, corporations routinely violate basic safety precautions, endangering the lives and safety of workers on a daily basis. Government agencies charged with inspecting workplaces are notoriously understaffed and existing regulations are poorly enforced.

The AFL-CIO’s “‘Dead on the Job’ Report,” 2011, points out: “In 2009, according to preliminary data from the Bureau of Labor Statistics, 4,340 workers were killed on the job—an average of 12 workers every day—and an estimated 50,000 died from occupational diseases. More than 4.1 million work-related injuries and illnesses were reported, but this number understates the problem. The true toll of job injuries is two to three times greater—about 8 million to12 million job injuries and illnesses each year.…

"The number of workplace inspectors is woefully inadequate. The federal Occupational Safety and Health Administration (OSHA) and the state OSHA plans have a total of 2,218 inspectors (925 federal and 1,293 state inspectors) to inspect the 8 million workplaces under the OSH Act's jurisdiction. Federal OSHA can inspect workplaces on average once every 129 years; the state OSHA plans can inspect them once every 67 years. The current level of federal and state OSHA inspectors provides one inspector for every 57,984 workers."

Sunstein stressed that any regulations will be the product of close discussion with the corporations affected. "The president made an unprecedented commitment to promoting public participation in the rulemaking process," he stressed to the AEI. The regulations will also be subject to a strict cost-benefit analysis, i.e., they will measure social benefits against the monetary impact of the regulations on corporate profits. Regulations will proceed "only on the basis of a reasonable determination that the benefits justify the costs," he added.

Notably absent in Sunstein's comments was any reference to the series of disasters over the past two years alone resulting from corporate malfeasance, in which regulatory agencies functioned as little more than adjuncts of the business and financial interests they supposedly oversaw.

In addition to the Upper Big Branch explosion, this includes the financial collapse of 2008, the product of rampant speculation by the giant banks and hedge funds; the BP oil disaster of April 2010, which set off the worse environmental disaster in US history; and a whole series of food recalls resulting from unsafe agricultural practices.

The initial deregulations are intended only as a first step. They are "the start of an ongoing process," Sunstein wrote in the *Journal*. "Our goal is to change the regulatory culture of Washington by constantly asking what's working and what isn't."

In his speech to the AEI, he explicitly contrasted "what we know now" about regulations to the New Deal period of the 1930s and the Great Society programs of the 1960s. The implication was clear: whatever constraints to corporate profit-making were put in place then would be targeted for elimination.

"The announcement of today's plans is unquestionably a defining moment," he concluded. "But it is just the start."