WORKPLACE SAFETY AND LABOR REGULATORY REVIEW PRESENTATION AGENDA:

I. Overview and Remarks by Secretary Robert Reich

II. Presentation by Assistant Secretary Joseph Dear, Occupational Safety and Health Administration.

III. Questions and Answers and Discussion of OSHA's Presentation.

IV. (If time) Presentation by Maria Echaveste, Wage and Hour Division.

MEMORANDUM TO THE VICE-PRESIDENT

FROM: **SECRETARY OF LABOR ROBERT B. REICH**

RE: **DEPARTMENT OF LABOR REGULATORY REFORM**

I am pleased to present you with this memo detailing the Department of Labor's regulatory agenda. This memo is meant to serve as the basis for our March presentation and is designed to communicate four points: First, it outlines what we believe is at stake in the current regulatory reform debate. Second, it discusses some of the progress that OSHA and Wage & Hour have already made in reforming their regulatory structures. Third, it provides you with the framework that we hope to use as our model for future action. We look forward to working with you and your staff to refine and expand these regulatory reform proposals. Your leadership in creating a government that works better and costs less is appreciated - the times demand nothing short of this important goal.

I. WHATS AT STAKE

Simply put, the health, safety and livelihoods of millions of America's workers depend on our ability to make the best possible use of scarce public resources and give employers the flexibility to meet the demands of the new American economy.

OSHA has a vital role to play in protecting the health and safety of American workers. Since the agency was created in 1972, the number of workplace-related fatalities has decreased by half - OSHA is working. Without an energetic, clear-thinking public institution dedicated to the protection of American workers, the temptations for some employers to take the low road to profitability would simply be too great.

Similarly, the Wage Hour Administration is as important today as it was when it was created over 55 years ago -- even though the economy has evolved, Wage & Hour's mission has evolved with it. Wage & Hour enforces the Fair Labor Standards Act to make sure that American workers are treated with the level of fairness and respect that should be earned by a hard day's work.

When we talk about regulatory reform, let's keep in mind that both OSHA and the Wage & Hour Administration are protecting ideals and realities that make the difference between a decent life and a hellish life for millions of American workers. We must change these organizations to make them work better, and keep pace with a changing economy. But we must never retreat from the goals they embody.

Regulatory reform is critical because the old way of doing business simply does not fit in with the new economic realities. Our public institutions must adapt to the new realities just as the private sector has been doing over the past two decades. Resources are scarce. The voters are rightly demanding that we do better with less. We heard that message in 1992, and have already taken action on it. But there's more to do.

II. PROGRESS TO DATE

At OSHA, Joe Dear is well along in reinventing his agency, an effort which recently earned OSHA one of your hammer awards. Other important efforts include the following:

<u>Fundamental shift in OSHA's approach</u> -- We have already started to implement a fundamental shift in the way OSHA approaches safety and health regulation. Given the gap between OSHA's resources and responsibilities, we are deemphasizing inspections and emphasizing cooperation and flexibility.

<u>Better-targeting of OSHA resources</u> -- In the construction industry, for example, at sites with safety and health programs and a record of responsible performance, we are focusing inspections on the four most serious hazards instead of spending time on the large number of less important regulatory requirements. These four areas account for 90% of construction-related fatalities.

<u>Focusing on common-sense results</u> -- We are training OSHA inspectors to focus on the identification and abatement of real workplace hazards, not bureaucratic inputs, and moving away from paperwork citations to more common-sense enforcement.

At Wage & Hour, Maria Echaveste is also well on her way to shifting resources from a "one size fits all" enforcement strategy to one that concentrates on industries with the most vulnerable populations of workers. Other Wage & Hour efforts include:

<u>Increasing the use of public education and outreach</u> - In 1993, Wage and Hour and California state labor officials began a joint program to dramatically increase the effectiveness of public education campaigns and enforcement activities.

<u>Updating regulations</u> - Wage and Hour has also undertaken a review of all of its regulations to make them fit today's employers and workers, to make it clear where state regulations apply and where federal regulations apply, and to get rid of regulations that no longer make sense.

III. FRAMEWORK FOR FUTURE ACTION

These are a few of our successes at OSHA and Wage & Hour. But throughout the Department we are developing other ways to reduce the regulatory burden on employers. Examples include: 1) By eliminating reports and reengineering programs, OFCCP will save employers over 5.8 million hours in reduced reporting time; 2) At the Pension Welfare Benefits Administration, we will save employers another 500,000 hours by replacing a paper reporting system with an electronic filing system; 3) And by streamlining the alien certification program and charging user fees, we now expect to save more than $223 million over the next five years. But these changes don't go far enough. We need to do more. And we will. Briefly, we plan to use the following framework in our next phase of regulatory reform:

1) **Make the high road pay** -- We know that the majority of business people want to do the right thing by their workers. The high road to competitiveness is the right road for workers, and for the economy as a whole. But a minority of bad actors opt for the low road, seeking short-term advantage through lower wages and benefits, risky workplaces, and worse working conditions. Our rules and regulations have to make it pay to take the high road, by minimizing the burden on the responsible majority, and zeroing in on the cynical minority of businesses.

2) **Weed out rules that don't make sense and aren't needed** -- Nobody sets out to write rules that don't make sense. But times change. The economy evolves. Companies adapt. And sometimes, regulators just make mistakes. So any set of regulations accumulates unnecessary rules. That's normal. Our responsibility is to comb through the rules to get rid of what's not needed and update what's obsolete.

3) **Focus on results, not process** -- In government, as in business, it's results that counts. Are workers safe from avoidable injuries and illness? Are they fairly paid? There's seldom just one way to achieve those results. And when there's more than one way, there's often a better way. We need to learn from our own experience, and from the lessons we get from companies and workers, about better ways to achieve the results we value.