

By [ELIZABETH WILLIAMSON](#) And [JONATHAN WEISMAN](#)

WASHINGTON — President Barack Obama formally ordered government agencies to review hundreds of federal regulations to ensure they aren't hampering business efforts to grow and hire, a move aimed at building support among employers and pre-empting Republican attacks.

The administration offered few specifics, and it was unclear how much of the review would be substantive, and how much cosmetic. While saying it would encompass all regulations, including those in the pipeline, administration officials defended their own record, saying the president was merely formalizing the cost-benefit analysis the administration has already followed.

Administration officials said a primary aim of the review would be to lighten the regulatory cost burden on small businesses. A September 2010 study for the Small Business Administration concluded that complying with federal regulations cost companies with fewer than 20 employees an average of \$10,585 a worker, compared with \$7,755 an employee for large companies.

Under the executive order, regulatory agencies are to propose extended compliance dates, simplified compliance procedures or outright exemptions for small businesses. If such alternatives aren't recommended, the agencies must supply written justification. "This should be great news for small businesses," an administration official said.

The White House said its health-care law and financial-regulation overhaul, two prime areas cited as concerns by many companies, complied with the standards set out in the order and weren't likely to change. Also unlikely to be affected, officials said, was Environmental Protection Agency regulation of greenhouse gases and legislation to allow the Food and Drug Administration to regulate tobacco. White House officials have said the benefits of those rules outweigh their costs.

Groups that represent big corporations welcomed Mr. Obama's order, which opened a new door for them to challenge federal rules, though it was clear some tension remained. "No major rule or regulation should be exempted from the review, including the recently enacted health-care and financial-reform laws," said Thomas J. Donohue, president of the U.S. Chamber of Commerce, in a statement.

Some labor and consumer groups expressed concern that the White House appeared to be conceding that federal regulations were burdensome.

Congressional Republicans praised Mr. Obama for taking a step toward embracing ideas they have long advocated.

"I applaud President Obama for joining what must be an effort that stretches beyond ideological entrenchments to identify the regulatory impediments that have prevented real and sustained job growth in the private sector," said Rep. Darrell Issa (R., Calif.), chairman of the House Committee on Oversight and Government Reform. Earlier this month, Mr. Issa sent letters to scores of U.S. business groups, asking them to identify costly regulations for his committee to probe.

Among the rules targeted by business and trade groups are proposed EPA regulations governing ozone and greenhouse-gas emissions, and emissions from industrial boilers; a Transportation Department rule limiting trucking-industry working hours; and an Occupational Safety and Health Administration rule that could require factory owners to install comprehensive noise-reduction technology, instead of issuing protective gear for workers.

"We want to take full advantage of this opportunity to encourage the administration to change course on a variety of proposals," said Rosario Palmieri, vice president of regulatory policy at the National Association of Manufacturers.

But it will likely be at least six months before the first rules in the pipeline are subjected to the review – agencies have 120 days just to devise what procedures they will use to measure the economic impact of regulations already written.

White House press secretary Robert Gibbs said that he wouldn't prejudge the outcome of the review, but said he had "no doubt" the benefits of the regulations embedded in the health-care and Wall Street overhaul laws would outweigh the economic costs.

White House officials said the regulatory initiative has been in the works for more than a year – long before the midterm election setbacks prompted Mr. Obama to step up efforts to mend his shaky relations with business leaders. An administration official familiar with the review said the process had stalled, as the administration juggled competing priorities.

On Jan. 30, 2009, just two weeks after his inauguration, Mr. Obama published a notice in the federal register ordering his budget director to consult with regulatory agency heads and produce within 100 days recommendations for a broad regulatory review.

Liberal watchdog groups from the start were leery of the president's choice to head to White House Office of Information and Regulatory Affairs, Cass Sunstein, a University of Chicago law professor who championed the idea that regulations should "nudge" business and personal behavior, not mandate it.

Mr. Sunstein has led the regulatory review effort, which leaned hard on an earlier effort by President Bill Clinton's White House to emphasize cost-benefit analysis.

Shopping List

Companies and trade associations are already highlighting recent and proposed regulations they say hurt growth, including:

Regulation of carbon dioxide and other greenhouse-gas emissions by the Environmental Protection Agency

Automotive fuel-economy standards for 2017-2025

Requirement that retailers carrying store-brand products report annually whether the goods contain minerals from the Congo Derivatives regulation

Reduction of 11-hour driving and 14-hour on-duty periods for truckers

Allowing the Consumer Product Safety Commission to post critical reports about products on a public database