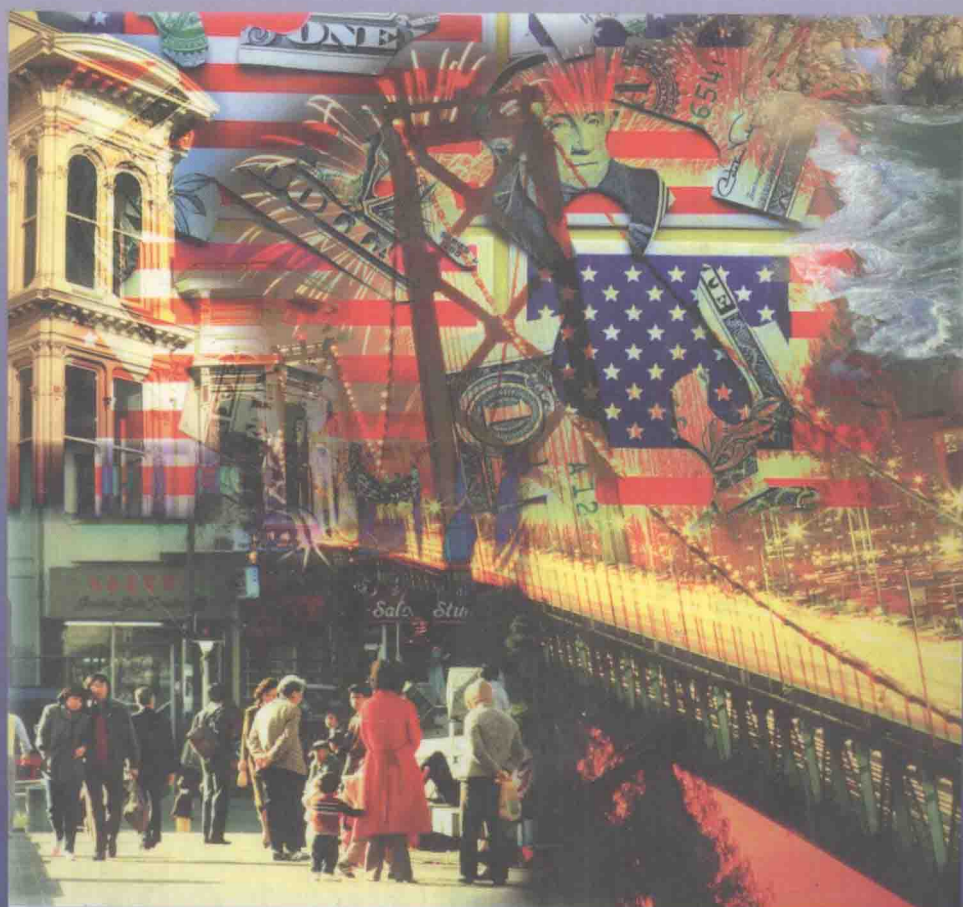


REGULATION AND CONSUMER PROTECTION: POLITICS, BUREAUCRACY AND ECONOMICS

T H I R D E D I T I O N



KENNETH J. MEIER
E. THOMAS GARMAN
LAEL R. KEISER

Regulation and Consumer Protection:

Politics, Bureaucracy & Economics

Third Edition

Kenneth J. Meier
E. Thomas Garman and
Lael R. Keiser

Contributing Authors:

James Anderson
Mary L. Carsky
Mary Ellen R. Fise
Alexander Grant
Ramona K. Z. Heck
Gong-Soog Hong
Anne M. Khademian
Michael J. Licari
Robert N. Mayer
Carol B. Meeks

Sharon Olmstead
S. Lee Richardson
Evan J. Ringquist
Mark Silbergeld
Samuel A. Simon
Kevin B. Smith
Joseph Stewart, Jr.
Judith Lee Stone
Clark D. Thomas
Jing J. Xiao

DAME
Publications, Inc.
Houston, Texas

Artist & Proofreader: Pamela S. Porter
Computer Graphics: Amanda S. Austin
Cover Design: Amanda S. Austin
Cover Photos: ©Corel Professional Photos. Images
may have been combined and/or
modified to produce final cover art.
Desktop Publisher: RaeNelle Eichholtz-Belch

© DAME PUBLICATIONS, INC.—1998
Houston, TX
e-mail: dame.publications@worldnet.att.net

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher.

ISBN 0-87393-640-X

Library of Congress Number 97-67113

Printed in the United States of America

Preface

Regulation is essential to modern society. Without rules for acceptable behavior in relationships with other individuals, any complex society would rapidly collapse. Regulation provides a framework that defines acceptable behavior for individuals in a variety of situations. People in business must be concerned with the quality of products they produce, the safety of the workplace, and any pollution that results as a by-product. Other citizens also find their lives regulated: Restrictions are placed on how fast they can drive, what kind of products they can buy, even where they can live.

The Changing Environment of Regulation and Consumer Protection

In the last two decades we have seen a wave of regulatory reform. The 1960s and 1970s saw an explosion of regulatory functions at the federal level with new agencies created to regulate the environment, workplace safety, product safety, and automobiles among others. The 1980s saw a backlash against regulation with the market-oriented reforms of the Reagan administration. If anything regulation and consumer protection emerged, however, from these reforms stronger than before. While the types of regulation that dominate have changed since the 1970s, American society is just as regulated as it was previously.

In the 1990s, power in American politics shifted to the Republicans who have promised to reduce the size and power of the federal government. For the first time in forty years Congress is controlled by Republicans. Not surprisingly, Congress has attempted to challenge and change the regulatory consumer protection environment. The new Congress has attempted to cut taxes; slash budgets; narrow missions of regulatory agencies; place new constraints on regulatory authority; consolidate agencies; demand new risk assessments, impact analyses and cost-benefit analyses before agencies are permitted to issue regulations; eliminate programs; increase waivers from federal rules to state and local government; eliminate cost shifting to state and local governments; abolish unfunded mandates (requirements of the federal government that cause state and local government to increase spending to be in compliance); and make greater use of devolution (sending federal programs to states, localities and the private sector).

Although the Republicans have managed to maintain control of Congress, they have failed to win the White House. Consequently some of their attempts for radical reform have been thwarted by the President. In response to a hostile Congress, however, regulatory agencies have moderated some of their activities and have suffered some budget cutbacks.

The constituency that seeks to protect consumers through more government is seriously challenged to retain gains already achieved, especially as the role of the federal government is reduced. Alternative ways of protecting consumers (i.e., information,

education, self-regulation) are likely to receive increased emphasis in the years ahead. No doubt, the remainder of the 1990s will be interesting to students of regulation and consumer protection.

How and Why This Book Was Written

Regulation and Consumer Protection is intended to document the scope and coverage of regulation and consumer protection in the United States. The growth in regulation and consumer protection plus the unique aspects of each area mean that one or two persons simply cannot serve as an authority across all policy areas. We have invited experts in these fields to write about the areas that they know best.

To provide some coherence, a conceptual framework is provided in Chapter 2. The framework essentially combines the viewpoints of those who feel regulatory policies are determined by the social and economic environment and those who feel that bureaucracies are permitted the freedom to set policies without restriction. The economic and technological environment, along with the macropolitical forces, sets the general parameters for regulatory policy. These elements provide both opportunities to make policy and restrictions on such activities. Within the context of these forces, specific policies are established by bureaucracies in interaction with their policy environments. Internal agency factors can be used to explain the specific policies an agency follows among those permitted by the environment.

Goals of *Regulation and Consumer Protection*

In this study of regulation and consumer protection, we have attempted to do three things. First, we have not felt bound by disciplinary restrictions but rather seek to use the valuable information provided by all perspectives on regulation and consumer protection. The result is a multidisciplinary view of public policy. At times concepts and approaches are taken from history, economics, law, consumer science, organization theory, and political science. Guiding this multidisciplinary approach, however, is the belief that regulation is a political process. We have emphasized political rather than economic or legal explanations for regulation and consumer protection.

The second and third goals of this study are sometimes in conflict. One goal is to explain regulatory and consumer protection policy outcomes. The other goal is to suggest specific changes in public policy. Although positivist tradition holds that empirical analysis should be separated from value judgments, in regulatory and consumer protection policy this rarely occurs. Most regulatory analysis has either normative objectives or was instigated by normative concerns. This is as it should be. Social sciences, as Herbert Simon (1969) argued, are sciences of the artificial, concerned as much with how things might be as how they actually are.

Accordingly, this book will not ignore normative issues, nor does it expect the reader to do so. Regulatory and consumer protection policy determines who benefits from government intervention into the marketplace, a topic with few people who can claim

neutrality. Rather than disguise normative presentations as empirical arguments, as much of the literature does, this book will make its normative contentions explicit. Although normative and empirical arguments cannot always be separated, some effort has been made to do so by keeping the normative arguments in separate sections and labeling them as such.

Useful Features of This Book

Features of the book that enhance readability and usefulness include employing four levels of headings, putting key terms and concepts in bold print, placing discussion footnotes at the bottom of the page where each reference is cited, locating all references in a single appendix, placing all case citations in a separate appendix, and including a detailed index.

Expressions of Appreciation

The genesis of this project lies with Tom Garman who convinced Ken Meier that *Regulation: Politics, Bureaucracy and Economics* needed to be updated and expanded. Tom was right. Coordinating the work of twenty-two people and fitting it within a single conceptual framework, however, was not an easy task. As is tradition in political science and now for the first time in consumer affairs, all remaining errors of omission or commission are the responsibility of Paul Sabatier.

This book would not have been possible without the help of many people. We especially want to thank the wonderful authors—people who are rich in real-life regulatory and consumer protection experiences and possess substantial higher-level thinking powers—the experts who generously contributed their authoritative views to *The Politics of Regulation and Consumer Protection*:

***James Anderson**, Professor of Political Science, Texas A&M University

***Mary L. Carsky**, Assistant Professor of Marketing, The University of Hartford

***Mary Ellen R. Fise**, Product Safety Director, Consumer Federation of America

***Alexander Grant**, Associate Commissioner for Consumer Affairs, Food and Drug Administration

***Ramona K. Z. Heck**, Associate Professor and J. Thomas Clark Professor of Entrepreneurship and Personal Enterprise, Cornell University

***Gong-Soog Hong**, Assistant Professor of Consumer Sciences, Purdue University

***Anne M. Khademian**, Visiting Associate Professor of Political Science, University of Michigan.

***Michael J. Licari**, Assistant Professor in Political Science, SUNY-Binghamton

***Robert N. Mayer**, Professor of Family and Consumer Studies, University of Utah

***Carol B. Meeks**, Professor and Head, Department of Housing and Consumer Economics, University of Georgia

- *Sharon Olmstead**, Consumer Affairs Specialist, Office of Consumer Affairs, Food and Drug Administration
- *S. Lee Richardson**, G. Maxwell Armor Eminent Scholar and Professor of Marketing, University of Baltimore
- *Evan J. Ringquist**, Assistant Professor of Political Science, Florida State University
- *Mark Silbergeld**, Director, Washington Office of Consumers Union, Washington, DC
- *Samuel A. Simon**, President, Issues Dynamics, Inc., Washington, DC
- *Kevin B. Smith**, Assistant Professor of Political Science, University of Nebraska-Lincoln
- *Joseph Stewart, Jr.**, Professor of Government and Politics, University of Texas at Dallas
- *Judith Lee Stone**, President, Advocates for Highway and Auto Safety
- *Clark D. Thomas**, PhD in Political Economy, University of Texas at Dallas
- *Robert D. Wrinkle**, Professor of Political Science, University of Texas-Pan American.
- *Jing J. Xiao**, Assistant Professor of Consumer Economics, University of Rhode Island

Meier, Garman and Keiser are grateful to their spouses for their continued support for yet another book writing project that again took away some shared time, but we all hope that these efforts will contribute to people learning more about regulation and consumer protection so they can help create a better society.

KJM, ETG, and LRK

ABOUT THE AUTHORS

KENNETH J. MEIER

Kenneth J. Meier is a professor of political science at the University of Wisconsin-Milwaukee. Part of the famed South Dakota connection in political science, he received his BA from the University of South Dakota. His doctorate is from the Maxwell School of Citizenship and Public Affairs at Syracuse University. He previously taught at Rice University, the University of Oklahoma, and the University of Wisconsin-Madison and is currently the editor of the *American Journal of Political Science*. Unlike Garman, Meier tries to avoid working for a living but he occasionally picks up some nonacademic experience. He was a member and chair of the Oklahoma State Ethics and Merit Commission where he gained experience enforcing merit system laws in a patronage state. He was a member of both the Governor's Task Force on Professional and Occupational Discipline and the Insurance Commissioner's Task on Property and Casualty Insurance (Wisconsin).

Professor Meier has wide ranging research interests, considering almost any topic relevant for a political scientist. He has published on bureaucracy, minority politics, education policy, insurance regulation, alcohol and drug policy, abortion and family planning policy, agriculture, traffic safety policy, infant mortality, and several other areas. *The Political Economy of Regulation: The Case of Insurance* (SUNY 1987) was awarded the Clarence Kulp award by the American Risk and Insurance Association and both *The Politics of Hispanic Education* (SUNY 1991) and *Race, Class, and Education* (Wisconsin 1989) won the Gustavus Myers Award. His most recent books are *Politics and the Bureaucracy* 3rd ed. (Wadsworth 1993) and *The Politics of Sin: Drugs, Alcohol and Public Policy* (M.E. Sharpe 1994). He has served as president of three different sections of the American Political Science Association (Public Policy, Public Administration, and State Politics and Policy).

Meier does not consult and wonders how Garman can do all that consulting and still have time to write so much. Instead he performs the role of satirical gadfly for the political science profession. Among his contributions are: organizing and participating on the "Contributions of Elvis Presley to Political Science" panel, coauthoring with Joe Stewart, "Rotisserie Political Science," presenting "Get Your Tongue Out of My Mouth 'Cause I'm Kissing You Goodbye: The Politics of Ideas" at the "Country Music and Political Science" panel, as well as authoring a number of underground cult classics that shall remain nameless owing to the nation's libel laws.

Meier teaches graduate classes in research methods, public policy, and political institutions. He enjoys teaching undergraduates but the University's Vice Chancellor for Risk Management will not let him. Meier lives with the love of his life, Diane Jones Meier, in a turn of the century home near Lake Michigan where his hobbies are stripping paint and trying to find the perfect California zinfandel.

E. THOMAS GARMAN

E. Thomas Garman is a Distinguished Fellow, Center for Organizational and Technological Advancement, and a Professor of Consumer Affairs at Virginia Polytechnic Institute and State University in Blacksburg, Virginia. He received his bachelor's and master's degrees in business administration from the University of Denver and his doctorate in economic education from Texas Tech University. Garman's experience includes work for a United States Senator in Washington, retail sales management in Colorado, economic development project management in West Africa and teaching for 33 years in 8 states and 3 countries. Garman has taught 15 summer workshops for 10 different universities, and 8 of those were 'Consumer Issues in Washington' classes taught on location in the nation's capital. He is a professor who truly enjoys teaching. His work as a COTA Fellow focuses on Personal Finance Employee Education (and he may be reached at his World Wide Web site <http://www.chre.vt.edu/~pfef/>).

In 1994, Garman received the Stewart E. Lee Consumer Education Award from the American Council on Consumer Interests in recognition of his lifetime achievements in consumer education. In 1995, that same organization elected him a distinguished fellow.

Professor Garman has authored or co-authored over 12,000 pages of writing, including 120 refereed articles and proceedings publications, over 60 non-refereed publications, and 18 books, including five currently available titles: *Ripoffs and Fraud: How to Avoid and How to Get Away* (winner of the 1996 Association for Financial Counseling and Planning education's "Journalism Award"), *Consumer Economic Issues in America, Regulation and Consumer Protection*, *The Mathematics of Personal Finance* (all with Dame Publications), and *Personal Finance* (Houghton Mifflin). Garman has been identified by the editor of the journal *Financial Counseling and Planning* as "The Most Cited Author" from 1989 through 1995.

Garman is a past president of two national organizations, the American Council on Consumer Interests and the Association for Financial Counseling and Planning Education, as well as the Consumer Education and Information Association of Virginia. He has made 84 major speeches to professional groups in 23 states and 3 foreign countries. He has appeared on various CBS and NBC affiliate stations as well as The Nashville Network.

Garman has been a consultant to over forty corporations, trade associations and government agencies. He recently completed terms of service for the National Advertising Review Board, Consumer Advisory Council of the Board of Governors of the Federal Reserve System, and National Advisory Council on Financial Planning for the International Board of Standards and Practices for Certified Planners. Garman currently consults as a subject matter specialist for the U.S. Navy and the Department of defense.

Garman teaches both undergraduate and graduate courses in consumer affairs and family financial management, fields in which his books are widely used. Garman has two grown children, and lives with his wife in their home located on Gap Mountain near Newport, Virginia. He may be reached at his e-mail address: tgarman@vt.edu

Lael R. Keiser

Lael R. Keiser is an Assistant Professor of Public Policy and Public Administration at the University of Missouri-Columbia. She received her BA from Lawrence University and her MA and PhD from the University of Wisconsin-Milwaukee. Prior to entering academics, she worked as a staff member for Senator Paul Simon of Illinois.

Her research focuses on the role of bureaucracy in public policy with special emphasis on social welfare bureaucracies. She has published articles in the *British Journal of Political Science*, *The Journal of Public Administration Research and Theory* and the *Public Administration Review*. Currently she is working on a book on child support enforcement. At the University of Missouri, she teaches classes on regulatory policy, social welfare policy, gender politics and policy evaluation at the undergraduate and graduate level.

Table of Contents at a Glance

Preface	xvii
About the Authors	xxi
Chapter 1 Myths of Regulation and Consumer Protection	1
Chapter 2 The Policy Process	11
Chapter 3 Regulating Occupations	41
Chapter 4 Antitrust Regulation	75
Chapter 5 The Revitalization of the Federal Trade Commission	109
Chapter 6 Regulating Agriculture	121
Chapter 7 Environmental Protection Regulation	143
Chapter 8 Workplace Safety and Health Regulation	181
Chapter 9 Regulating Drugs	213
Chapter 10 Food Safety Regulation	235
Chapter 11 Consumer Product Safety Regulation	259
Chapter 12 Automobile Safety Regulation	281
Chapter 13 Depository Institutions Regulation	303
Chapter 14 Credit Regulation	331
Chapter 15 Housing Regulation	353
Chapter 16 Securities Market Regulation and Investor Protection	367
Chapter 17 Telecommunications Regulations	387
Chapter 18 State and Local Consumer Protection	403
Chapter 19 Consumer Protection: A Global Perspective	417
Chapter 20 Reforming Regulation	435
References	469
Court Cases Cited	507
Index	509

Table of Contents

Preface	xvii
About the Authors	xxi

Chapter 1 Myths of Regulation and Consumer Protection	1
What Is Regulation?	1
The Regulatory Explosion of the 1960s and 1970s	2
The Myths about Regulation	4
Regulation Is Ineffective	4
Regulation Is Out of Control	5
Regulatory Agencies Are Captured	6
The Purpose of Regulation Is Efficiency	6
We Have Deregulated the Economy	8
The Reality of the Study of Regulation and Consumer Protection	8
Regulation Is Complex	8
Studying Regulation Requires a Multidisciplinary Focus	9
Most Regulatory Analysis Contains Normative Judgments	10

Chapter 2 The Policy Process	11
Regulatory Policy Outputs	11
Subsystem Politics	13
Subsystems Are Not Homogeneous	14
Other Aspects of the Subsystem	15
Regulatory Agencies: Inside the Black Box	17
Agency Goals	17
Agency Resources	18
Expertise (18); Cohesion (19); Legislative Authority (19); Political Salience (20);	
Leadership (21)	
Agency Discretion: A Recapitulation	21
The Organization of Interests	22
Size of Interest Group	22
Resources of Interest Group	23
Dispersion of Interest Group	23
Cohesion of Interest Group	23
Intensity of Commitment of Interest Group	24
Prestige of Interest Group	24
The Breadth of the Interest Group's Coalition	24
The Political Environment	25
Congress	26
Appropriations (26); Legislation (27); Congressional Hearings (27); The	
Legislative Veto (28); Informal Contact (28)	
The Presidency	28
Presidential Appointments (29); Presidential Leadership (29); Budgets (30);	
Oversight (30)	

Courts	31
Procedure (31); Substance (32)	
The General Environment	33
Economics	34
Ease of Entry (34); Number of Firms (35); Profitability (35); Feedback (36)	
Technology	36
Complexity (36); Stability (36); Substitutability (37); Availability (37); Feedback (38)	
Summary	38

Chapter 3 Regulating Occupations 41

Why Regulate Occupations?	42
The Environment of Occupational Regulation	44
The Process of Occupational Regulation	44
Regulatory Commissions	44
Large or Small Agency?	45
The Regulatory Subsystem	45
Three Regulatory Options	46
Registration (46); Certification (46); Licensing (47)	
Potential Harms of Regulation	47
Regulating Medicine: A Contemporary Example	48
Goals of the American Medical Association	48
Medical Education	49
Restricting Supply	49
Impacts	49
Slow Quality Improvements in Medicine	51
Summary of Medical Regulation	51
The Impact of Occupational Regulation	52
Impact: Three Barriers to Entry May Be Created	52
Nonsense Requirements (52); Examinations That May Lack Validity (52);	
Limited Reciprocity among States (53)	
Impact: The Existence of Economic Rents	54
Impact: Prices Rise	55
Price and Reciprocity Restrictions (56); Price and Restrictions on Advertising (56);	
Price and Restrictions on Input Substitution (57); Price and General Restrictions on	
Licensing (57)	
Impact: Does Quality of Service Increase?	58
Miscellaneous Impacts	60
Occupational Regulation Restricts Consumer Choice (60); Women and Minorities	
Are Discriminated Against (60); Impacts of Occupational Regulation (61)	
The Politics of Occupational Regulation	61
A Consumer Orientation in State Regulation	62
Consumer Versus Occupational Interests	62
Size of Occupation (62); Consumer Sophistication (62); Contact among	
Consumers (62); Competitive Party System (63)	
Reforming Occupational Regulation	64
Complete Deregulation	64
Certification	64
All-comers Examinations	65
Legal Remedies	65
Institutional Licensure	65

Sunset Legislation	66
Public Representation	67
A Department of Occupational Regulation and Consumer Affairs	68
Interstate Coordination	68
A Composite Reform	70
Eliminate State-Sanctioned Licensing (70); Permit Institutional Licensure (70);	
Open Certification Exams to All Comers (70); An Integrated Department of	
Occupational Regulation and Consumer Affairs (70); Fund Departmental	
Information Provision Functions (71)	
Conclusion	71

Chapter 4 Antitrust Regulation	75
Economic Premises of Antitrust	75
Antitrust Legislation	77
The Sherman Act	78
The Federal Trade Commission and Clayton Acts	78
The Robinson-Patman Act	80
The Celler Antimerger Act	80
The Antitrust Improvements Act	80
The Antitrust Subsystem	81
The Agencies	81
Congress	83
Interest Groups	84
The Professional Antitrust Bar	84
The Antitrust Writers	84
The Judiciary	85
Presidents	85
Advocacy Coalitions	85
The Reach of the Antitrust Laws	86
Monopolization	87
The Standard Oil Case (87); The American Tobacco Case (88); The U.S.	
Steel Case (88); The Alcoa Case (89); The IBM Case (90); The AT&T	
Case (91); Concluding Comments on Monopolization (91)	
Collusion	92
Price-fixing (92); Regulating Trade Associations (93); The FTC Tries	
Innovation (94); Concluding Comments on Collusion (95)	
Mergers	95
Horizontal Mergers (96); Vertical Mergers (98); Conglomerate Mergers (99)	
Price Discrimination	100
Resale Price Maintenance (100)	
Exclusionary Practices	101
Tying Agreements (102); Exclusive Dealing Agreements (102); Exclusive	
Distributorships (103)	
The Effectiveness of Antitrust Regulation	104
Limitations on Antitrust	106
Conclusion	107

Chapter 5 The Revitalization of the Federal Trade Commission 109

The Subsystem	109
The Agency	109
Advocacy Coalitions	110
Environment	111
The Early Performance of the FTC	111
The Revitalization of the FTC	111
The Anticonsumer Backlash	113
The Reagan Federal Trade Commission	114
The Congressional Fight Continues	114
The FTC after Miller	116
The Clinton-Era FTC	117
Summary and Conclusion	117

Chapter 6 Regulating Agriculture 121

The Industry	122
The Agricultural Sector	122
Individual Industries	122
Advocacy Coalitions	123
General Farm Organizations	123
The Commodity Organizations	124
Ex/ai Groups	125
The Regulatory Agencies	125
Tools to Regulate the Price of Agricultural Goods	126
Monetary Tools (126); Production Limits (127); Set-aside Programs (127);	
Import Controls (128)	
Use of Regulatory Tools	128
CFSA (128); AMS (129)	
Resources of the Agricultural Regulators	129
Subsystems	130
The Environment of Agriculture	131
Economic Environment	131
Technological Environment	131
The Politics of Regulating Agriculture	132
Pre-regulatory Policies	132
Modern Agricultural Regulation	133
The New Deal	134
Postwar Policy, 1948-1973	135
Opening the Subsystems	135
The Farm Bills	136
The Freedom to Farm Act (138)	
Who Benefits from Agricultural Regulation?	140
Reform in Agricultural Regulation	141
Conclusion	141

Chapter 7 Environmental Protection Regulation	143
The Subsystem	144
The Agency	144
Agency Structure (144); Agency Resources (145)	
Advocacy Coalitions	145
The Environmental Quality Advocacy Coalition (146); The Economic Rationality Advocacy Coalition (146); Free Agents (147)	
The President	147
Congress	147
The Courts	148
State Governments	148
The Environment	148
Technological Uncertainty	149
Complexity and Salience	149
Four Eras in the Environment of Pollution Control Regulation	150
The Era of Nondecisionmaking	150
Federal Control and Environmental Quality Advocacy Coalition Dominance	150
Deregulation, Devolution, and Defunding	151
Deregulation in the 1980s (151); Devolution in Environmental Regulation (152); Defunding Environmental Regulation (152); Effects on EPA (152)	
The Maturation of a Policy Subsystem: Competition and Compromise Among Advocacy Coalitions	153
Policy Tools in Environmental Regulation	155
Prohibitions	155
Command and Control Regulations	155
Licensing and Use Restrictions	155
Market-like Incentives	155
Fiscal Inducements	156
Information Provision	156
National Environmental Policy Act	156
Air Quality Regulation	157
The Clean Air Acts	157
The Clean Air Act of 1970 (157); The CAA Amendments of 1977 (158); Criticisms of The 1970 and 1977 Clean Air Acts (159); The Clean Air Act Amendments of 1990 (159)	
Regulating Water Quality	161
The Federal Water Pollution Control Act of 1972	161
Amending The FWPCA (162); Criticisms of the FWPCA and its Amendments (162)	
The Water Quality Act	163
Reauthorizing the Clean Water Act (163)	
Regulating Hazardous Wastes	163
The Resource Conservation and Recovery Act	164
Amending RCRA (165)	
The Comprehensive Environmental Response, Compensation, and Liability Act	166
Amending Superfund (166); Overhauling Superfund (167)	
Regulating Pesticides	167
The Federal Insecticide, Fungicide, and Rodenticide Act	168
Implementing FIFRA (168); Criticisms of FIFRA (169); Amending Pesticide Regulation (169)	

Evaluating Environmental Regulations	170
Evaluating Enforcement	170
The Economic Effects of Environmental Regulation	171
Costs and Benefits of Regulation (171)	
Regulatory Effects on Environmental Quality	172
Air Quality (172); Water Quality (172); Hazardous Wastes (173)	
New Obstacles to Environmental Regulation	173
Property Rights	174
Unfunded Mandates	175
Risk Based Regulation	176
Who Benefits?	177
Conclusion	178

Chapter 8 Workplace Safety and Health Regulation 181

The Subsystem	181
The Agencies	181
Advocacy Coalitions	183
The Environment	183
Occupational Safety Before the Occupational Safety and Health Administration	184
Establishing Federal Regulation	185
The Politics of Creation	185
The Occupational Safety and Health Act	186
Rulemaking Procedures	188
Implementing the Law	188
The Inspection Process	190
Implementing Safety Regulations	191
The Shift to Health Regulation	193
Stress on Safety (193); Early Health Efforts (193); Changes in Priorities (194); A Comprehensive Health Policy (195)	
The Politics of Occupational Safety and Health Administration	196
Congress	196
Presidents	197
Political Leadership (198)	
The Courts	201
Evaluating OSHA Policy	203
Enforcement	203
Few Inspections (203); Trivial Violations (204); Minor Penalties (204)	
Impact	205
Current Debates	206
Costs vs. Benefits	206
Do We Need Government Regulation to Protect Workers?	207
The Proper Division of Labor Between the Federal Government and the States	209
Conclusion	210

Chapter 9 Regulating Drugs 213

Regulatory Subsystem	213
History: The Evolution of the Food, Drug & Cosmetic Act	221
Pure Food and Drug Act of 1906	221
Federal Food, Drug, & Cosmetic Act of 1938	222