

As Dan notes in an [earlier post](#), Cass Sunstein has been selected to direct the White House office that oversees regulation by agencies, the Office of Information and Regulatory Affairs within the Office of Management and budget. An in-depth [article](#) in today's Los Angeles Times discusses the controversy over his nomination among environmental and labor advocates. From the Times:

The Office of Information and Regulatory Affairs might sound like a remote bureaucratic outpost, but since the Reagan presidency it has influenced federal efforts to protect the public from unsafe food, dangerous chemicals, polluted air, climate change and workplace hazards.

That's because the office reviews any major regulatory idea that comes from an executive branch agency. Business lobbyists already are applauding Sunstein's nomination, hoping he might slow the march back to aggressive regulation under the new Democratic administration.

Labor and environmental advocates, on the other hand, want Democratic senators to question Sunstein closely at his confirmation hearing. Leading their concerns are his legal theories and their potential to hamper tough regulation.

Concern about Prof. Sunstein's appointment results largely from his advocacy of cost-benefit analysis as an important decisionmaking tool. Cost-benefit analysis has been criticized for skewing governmental decisionmaking in favor of actions that have quantifiable monetary benefits, and for assigning extremely low values to activities that will happen in the far future, among other reasons. As [Dan also notes](#), it appears that Prof. Lisa Heinzerling of Georgetown, perhaps the most incisive, comprehensive, and relentless critic of cost-benefit analysis in academia today, has been appointed as chief climate change advisor to the new EPA administrator Lisa Jackson. (This monograph, [Pricing the Priceless](#), provides a readable and interesting exposition of her critiques of CBA.)

This pair of appointments makes the EPA/OMB relationship an important one to watch in the current administration. It is likely that the extent to which cost-benefit analysis should be used to inform federal decisionmaking, and the limits of its value as a policy tool, will be hotly debated in this administration in the context of

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many important decisions.