



Center for Regulatory Effectiveness

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The Honorable Jeffrey William Runge, M.D.
Administrator
National Highway Traffic Safety Administration
U.S. Department of Transportation
400 Seventh Street, S.W.
Room 5220
Washington, DC 20590

Dear Dr. Runge:

I am writing you regarding the new project of the Center for Regulatory Effectiveness (CRE), which evaluates the cost-effectiveness of selected rulemakings. The Office of Management and Budget, in the President's FY 2003 Budget, utilized a "league table" to illustrate the relative cost-effectiveness of selected safety and health regulations promulgated between 1995-2000. League tables, used as an analytic tool, provide an orderly ranking of comparable items based on a common key criteria. OMB explained in the Budget that they would increase the use of league tables and cost-effectiveness analysis in decision-making. OMB also explained that its issuance of government-wide Data Quality guidelines were the first of the "modest steps" they were taking towards this analytic goal.

CRE, a regulatory watchdog, has long been involved in analyzing the effectiveness of proposed regulations. CRE has also been an active participant in the public process of developing OMB and agency-specific Data Quality guidelines. In that OMB is increasing their use of league tables and since league tables represent an important application of the Data Quality guidelines, CRE is undertaking a series of analyses utilizing league tables to evaluate proposed regulations. CRE's first league table analysis is of NHTSA's proposed tire performance standards for FMVSS No. 139 (Docket No. NHTSA-00-8011).

Attached please find copies of a paper discussing CRE's league table analysis project as well as our analysis of the cost-effectiveness of NHTSA's proposed tire performance standards. You will note that the proposed standards have an estimated cost per life-year saved that is greater than any regulation included in OMB's league table. We will be posting these documents on our website at www.TheCRE.com.

Sincerely,

Jim J. Tozzi
Member, Board of Advisors

Attachments