



## **Boeing's Not Alone In Companies That Government Agencies Have Let Self-Regulate**

Brian Naylor

April 2, 2019

AUDIE CORNISH, HOST:

Ever since the Ethiopian Airlines crash three weeks ago, the Federal Aviation Administration has been under scrutiny. The agency had delegated to Boeing much of the testing of its 737 MAX jets. Critics say the FAA let the company basically certify its own plane. But as NPR's Brian Naylor reports, that sort of thing happens a lot.

**BRIAN NAYLOR, BYLINE:** The FAA's model of self-regulation has come under attack from the government's own watchdog, the Government Accountability Office, which, as far back as the 1990s, criticized the practice. But James Goodwin of the Center for Progressive Reform, a left-leaning research group, says it's a model that's used throughout government.

**JAMES GOODWIN:** I think the American public would be surprised and maybe even concerned if they knew how widespread the practice of self-regulation was.

**NAYLOR:** It's especially prevalent in agencies that regulate single industries, like the FAA with air transport or the Federal Railroad Administration, which allows self-certification of conductors and engineers on trains. Thomas McGarity of the University of Texas Law School says you can also see it at the Department of Interior's Bureau of Safety and Environmental Enforcement, known as BSEE.

**THOMAS MCGARITY:** That's the agency that failed pretty badly with the Deepwater Horizon blowout several years ago. It's a single agency regulator, and it allows owners of offshore oil rigs to self-certify, do their annual certifications.

**NAYLOR:** After the blowout, the Obama administration reorganized the agency and required well operators to hire independent third parties to conduct safety checks. Now the Trump administration is trying to roll that regulation back. In a video on the agency's website, BSEE director Scott Angelle said the changes will not harm safety or the environment.

**SCOTT ANGELLE:** I am confident when reviewing the proposed revisions to the rule, you will likewise conclude BSEE's team of career engineers and regulatory specialists used a scalpel rather than a chainsaw, seeking to improve public policy.

NAYLOR: Angelle is a former oil pipeline company board member, and his background illustrates another concern about government agencies relying on industries to self-regulate. UT's McGarity says there is often a revolving door between the two.

MCGARITY: That can really make things questionable sometimes because the person working in the agency may well anticipate that in a few years, he or she will go out and take a job with that regulated industry.

NAYLOR: Peter Van Doren, a senior fellow at the libertarian Cato Institute, argues self-regulation has largely gone on unnoticed because, with a few exceptions, it's been a success.

PETER VAN DOREN: In effect, the delegation of all this to experts and the lack of second guessing about all this occurred because it was working.

NAYLOR: The Food and Drug Administration is another agency that relies on industry - in this case, drug manufacturers - to test their own new drugs, with the data then certified by FDA scientists. Goodwin at the Center for Progressive Reform says agencies don't have the funding they need to do more extensive oversight.

GOODWIN: Agencies like the Federal Aviation Administration and the Food and Drug Administration just don't have the resources or the technological capacity to keep up with the rapidly evolving industries that they're charged with overseeing.

NAYLOR: In fact, the acting director of the FAA said it would take nearly \$2 billion and 10,000 new employees for the agency to end its reliance on the aircraft manufacturers to conduct their own certification tests. Brian Naylor, NPR News, Washington.