The Daily Dish

A Biden Regulatory Legacy

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The Biden regulatory juggernaut rolls on. Dan Goldbeck reports that a pair of Environmental Protection Agency (EPA) rules were the key reason that the weekly cost and paperwork totals for the first week in March were $18.4 billion and 380,572 annual hours, respectively. As noted:

> The most consequential rulemakings of the week from a cost perspective were the two rules from EPA regarding “Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review” and “Reconsideration of the National Ambient Air Quality Standards for Particulate Matter.” The former establishes new methane emissions standards for facilities involved in the extraction and distribution of petroleum and natural gas. EPA expects the rule to involve $14 billion in costs over a 15-year window.
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> In the latter rule, the agency lowers “the national ambient air quality standards for particulate matter (PM)…from 12.0 μg/m^3 to 9.0 μg/m^3.” According to the Regulatory Impact Analysis, this will involve $3.7 billion in present value costs across a 20-year period. Interestingly, as noted in the American Action Forum’s Congressional Review Act (CRA) Tracker, this rule saw a CRA resolution of disapproval against it introduced on the very same day it officially hit the pages of the Federal Register.

To date, the Biden Administration has imposed $470 billion in regulatory costs via roughly 800 final rules.

The nature of the regulatory analysis is shifting, however. Recall that one of President Biden’s first actions was an executive order calling for modernizing the regulatory review process. The Office of Management and Budget responded with a number of changes, one of which was to shift from a 7 percent (or 3 percent) discount rate to a 2 percent discount rate. This lower rate means that the further out from the present one goes, the weaker the discount effect becomes year over year. Since rules often have upfront costs but produce benefits well into the future, this change generally leads to a nominally higher benefits total that puts the cost-benefit analysis in a more favorable light.