



Week in Regulation

Check the Reviews on This Week

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Last week hummed right along in terms of regulatory activity with 11 rulemakings that contained some quantifiable economic effect. While the impact of these actions spanned across a wide array, it ultimately turned out to be a net-savings kind of week. A rule from the Federal Trade Commission (FTC) regarding online consumer ratings and reviews was the main reason for this trend. Across all rulemakings, agencies published \$15.5 billion in total cost savings but added 383,556 annual paperwork burden hours.

REGULATORY TOPLINES

- Proposed Rules: 36
- Final Rules: 67
- 2024 Total Pages: 68,234
- 2024 Final Rule Costs: \$1.23 trillion
- 2024 Proposed Rule Costs: \$48 billion

NOTABLE REGULATORY ACTIONS

The most consequential action of the week was the [FTC rule](#) regarding “Trade Regulation Rule on the Use of Consumer Reviews and Testimonials.” The final version of the rule largely follows in form and function the [proposed version](#) released roughly one year ago. The rule:

Among other things, prohibits selling or purchasing fake consumer reviews or testimonials, buying positive or negative consumer reviews, certain insiders creating consumer reviews or testimonials without clearly disclosing their relationships, creating a company-controlled review website that falsely purports to provide independent reviews, certain review suppression practices, and selling or purchasing fake indicators of social media influence.

The FTC expects the rule to involve anywhere between \$0 and roughly \$872 million in compliance costs for affected businesses. On the consumer side, however, the agency estimates that these changes would provide time savings (due to consumers avoiding fraudulent reviews) that it monetizes as being anywhere between \$0 and \$33.5 billion over a 10-year period. Taking the net mid-point of these estimates yields a total cost-savings figure of approximately \$16.3 billion.

TRACKING THE ADMINISTRATIONS

As we have already seen from [executive orders and memos](#), the Biden Administration will surely provide plenty of contrasts with the Trump Administration on the regulatory front. And while there is a general expectation that

the current administration will seek to broadly restore Obama-esque regulatory actions, there will also be areas where it charts its own course. Since the AAF RegRodeo data extend back to 2005, it is possible to provide weekly updates on how the top-level trends of President Biden’s regulatory record track with those of his two most recent predecessors. The following table provides the cumulative totals of final rules containing some quantified economic impact from each administration through this point in their respective terms.

TRACKING THE ADMINISTRATIONS

REGULATORY ACTIVITY FROM INAUGURATION DAY TO AUGUST 23rd (Year 4)

	FINAL RULES	FINAL RULE COSTS	PAPERWORK HOURS
BIDEN 2021	1001	\$1.67T	312.5M
TRUMP 2017	1091	-\$100.6B	198M
OBAMA 2009	1354	\$311.7B	251.1M

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The FTC rule discussed above was the primary reason for the downward dip in the to-date Biden Administration regulatory tally. Of note, all three covered administrations saw some kind of burden-reducing change in their respective records. In August 2020, a deregulatory [measure](#) from the Department of Transportation was the primary reason for the Trump-era totals decreasing by roughly \$700 million in costs and 1.5 million hours of paperwork. Meanwhile, an August 2012 Consumer Financial Protection Bureau [rule](#) led to a roughly 1.4-million-hour reduction in the Obama Administration's paperwork total.

TOTAL BURDENS

Since January 1, the federal government has published \$1.28 trillion in total net costs (with \$1.23 trillion in new costs from finalized rules) and 72.9 million hours of net annual paperwork burden increases (with 35.3 million hours coming from final rules).

