



## Week in Regulation

# Latest CAFE Proposal Rolls Off the Regulatory Production Line

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In what was a fairly active week of regulatory activity, there were 14 rulemakings with some measurable economic impact. Most of the week's actions came on the proposed rule side of the ledger. The main item of the week was the latest iteration of Corporate Average Fuel Economy (CAFE) standards from the Department of Transportation (DOT). Across all rulemakings, agencies published \$88.6 billion in total costs and added 428,661 annual paperwork burden hours.

## REGULATORY TOPLINES

- Proposed Rules: 53
- Final Rules: 55
- 2023 Total Pages: 56,654
- 2023 Final Rule Costs: \$85 billion
- 2023 Proposed Rule Costs: \$360.1 billion

## NOTABLE REGULATORY ACTIONS

The most significant rulemaking of the week was DOT's [proposed rule](#) regarding "Corporate Average Fuel Economy Standards for Passenger Cars and Light Trucks for Model Years 2027-2032 and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks and Vans for Model Years 2030-2035." The proposal is the latest iteration in a long line of CAFE regulations. This one seeks to set "fuel economy standards for passenger cars and light trucks and fuel efficiency standards for model years (MYs) 2027–31 that increase at a rate of 2 percent per year for passenger cars and 4 percent per year for light trucks, and new fuel efficiency standards for heavy-duty pickup trucks and vans (HDPUVs) for MYs 2030–2035 that increase at a rate of 10 percent per year."

DOT estimates that this proposal will involve nearly \$88 billion in total costs, making it second only to the Environmental Protection Agency's (EPA) related [proposal](#) on greenhouse gas emissions for light-duty vehicles beyond MY 2027. These tailpipe emissions rules have had quite a history in terms of how to account for the costs involved. In past versions of these rulemakings, DOT and EPA would either issue these standards – and their underlying economic analysis – on a [joint basis](#), or there would be significant [overlap](#) in terms of the economic impacts from each respective rule. According to this proposal's [Regulatory Impact Analysis](#), however, DOT "only attempted to report costs and benefits attributable to the ... proposed standards, and not also EPA's proposed standards."

## 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 18<sup>th</sup> (Year 3)

	FINAL RULES	FINAL RULE COSTS	PAPERWORK HOURS
<b>BIDEN</b> 2021	<b>643</b>	<b>\$403.1B</b>	<b>232.4M</b>
<b>TRUMP</b> 2017	<b>728</b>	<b>\$36.6B</b>	<b>55.5M</b>
<b>OBAMA</b> 2009	<b>945</b>	<b>\$227.2B</b>	<b>147.6M</b>

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With last week’s most prominent action coming in the form of proposed rules, there was limited movement in the Biden Administration’s final rule totals. There was, however, notable movement in the other two administrations. For the Trump era, the “Public Charge” [rule](#) and a deregulatory DOT [measure](#) were the main actions that netted out to \$321 million in new costs and 1.1 million hours of paperwork. For the Obama Administration, costs increased by nearly \$2.1 billion. A quick *mea culpa* is in order here, though. Last week’s “Tracking the Administrations” [section](#) erroneously attributed its \$2.7 billion cost increase to an “Air Cargo

Screening” rule. The actual cause of that \$2.7 billion spike was an EPA emissions [rule](#). The Air Cargo Screening rule was the primary driver for *this* week’s increase.

## THIS WEEK’S REGULATORY PICTURE

This week, the Paperwork Reduction Act (PRA) fails to fulfill its titular purpose...[again](#).

**Table B1: Paperwork Burden Changes in Fiscal Year 2022 by Category (Millions of Hours)<sup>1</sup>**

<b>FY 2021 Total Paperwork Burden</b>	9,974
<b>FY 2022 Total Paperwork Burden</b>	10,343
<b>Total Change</b>	<b>370</b>
<i>Discretionary Agency Action</i>	31
<i>Statutory Change</i>	78
<i>Lapse in Renewal or Discontinuation</i>	5
<i>Adjustment</i>	256

*Source: Graphic pulled from “[Appendix B: Paperwork Burden Accounting](#)”*

Early last week, the Office of Information and Regulatory Affairs (OIRA) finally posted its latest update on the [Information Collection Budget](#) (ICB) of the United States. While past versions of this erstwhile “annual” report have generally been in one singular form, this latest edition is spread out over a handful of documents. OIRA has its latest “Time Tax” report (which AAF examined [here](#)) as the primary document with the traditional aspects of the ICB report coming in a series of appendices.

Putting the Time Tax report front and center makes some degree of sense considering that OIRA explicitly directed agencies to focus on burden reduction efforts in the [data call](#) for this latest ICB report that OIRA issued this past spring. As Table B1 (pictured above) demonstrates, however, regardless of whatever affirmative commitments agencies made to lower their paperwork stocks, net burdens increased by an estimated 370 million hours between fiscal years (FY) 2021 and 2022.

With the end of FY 2022 nearly one year ago now, though, perhaps agencies have made greater progress on such burden reduction goals since then? That emphatically does not appear to be the case either. In fact, that is trending the wrong way directionally as well. As of last Friday, the total government-wide inventory of paperwork requirements stood at 10,523,275,948 hours – roughly 180 million more than even the FY 2022 ICB total listed in Table B1.

There have been some notable one-off initiatives through these efforts (such as the Department of Homeland Security’s relatively ambitious goal of 20 million hours in burden reductions). Clearly, however, these burden-reducing plans are no match for what appear to be deeper, more structural trends on this issue. This is yet another instance of the PRA being ineffective in the operative part (see “Reduction”) of its title. Barring some degree of [broader reform](#), there is little reason to assume this dynamic will change anytime soon.

# TOTAL BURDENS

Since January 1, the federal government has published \$445.1 billion in total net costs (with \$85 billion in new costs from finalized rules) and 167.3 million hours of net annual paperwork burden increases (with 15.1 million hours in increases from final rules).

