



Week in Regulation

A Modest, Mixed-Bag Week

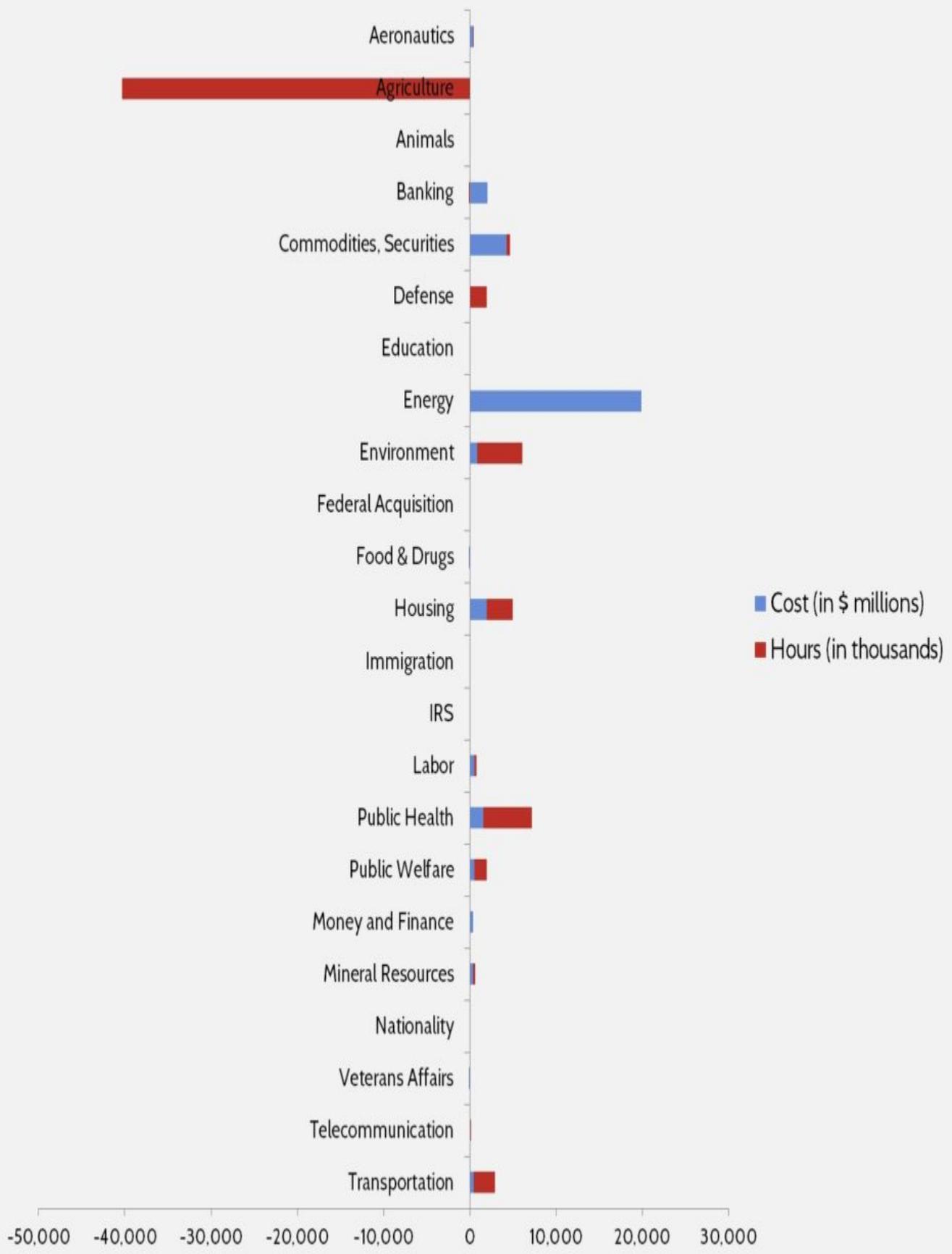
DAN GOLDBECK | AUGUST 14, 2017

While one could hardly call it a barn-burner in terms of excitement, the second week of August 2017 did see a marginal uptick in regulatory activity from the first. There were no rules with notable regulatory burdens on either Tuesday or Wednesday, but overall the week brought roughly \$151 million in net regulatory burdens (both lifetime and annually) against zero monetized benefits. Agencies also proposed roughly 70 thousand hours of annual paperwork burdens. The **per capita regulatory burden for 2017 is \$458**.

REGULATORY TOPLINES

- New Proposed Rules: 36
- New Final Rules: 47
- 2017 Total Pages of Regulation: 37,735
- 2017 Final Rules: \$32.9 Billion
- 2017 Proposed Rules: \$113.9 Billion

The American Action Forum (AAF) has catalogued regulations according to their codification in the Code of Federal Regulations (CFR). The CFR is organized into 50 titles, with each title corresponding to an industry or part of government. This snapshot of *final rules* (a change from earlier versions) will help to determine which sectors of the economy receive the highest number of regulatory actions.



The most significant rulemaking of the week comes from the Federal Communications Commission (FCC). The FCC rule actually just announces the full estimates of the administrative burdens from a [prior rulemaking](#) on “Channel Sharing Rules.” The updated estimates lay out \$92.3 million and 70,505 hours of paperwork annually for certain broadcasters.

TRACKING REGULATORY MODERNIZATION

One of this week’s final rules provides an interesting test case for the administration’s implementation of Executive Order (EO) 13,771. The Department of Interior rule would repeal a 2016 rule regarding oil & gas valuation, however it adds almost [\\$4 million](#) in administrative costs. Interior categorizes it as an [EO 13,771 deregulatory action](#) because it would produce \$67.4 million in annual industry savings through [reduced royalty payments](#). This would give Interior the highest level of regulatory savings thus far this year, but there is an accounting issue here.

While this certainly saves industry money, it is essentially a change in the transfer payments from industry to government and thus does not necessarily affect net social costs. The administration’s [guidance](#) may provide an out as it could qualify as “an action [that] reduces the stringency of requirements or conditions.” However, per [OMB Circular A-4](#) (the administrative memo generally establishing cost-benefit analysis guidelines since 2003), agencies “should not include transfers in the estimates of the benefits and costs of a regulation.” Interior may eventually use these savings towards its EO 13,771 “tally,” but there ought to be greater clarity on the rationale behind categorizing these as savings. For our purposes, AAF has merely recorded the increased administrative costs this change would impose.

On regulatory budget implementation, below are the agencies that have accrued annual savings or new costs under the president’s one-in, two-out budget; proposed rules are not included:

- Defense: **-\$400 million**
- Interior: **-\$360.37 million**
- Education: **-\$100 million**
- Labor: **-\$78 million**
- Veterans Affairs: **-\$1.9 million**
- HHS: **\$18.06 million**
- EPA: **\$60 million**
- Energy: **\$34 million**

Many of these figures are the result of CRA resolutions of disapproval. Given their historic regulatory output, AAF can predict that Defense, Interior, and Education will likely meet the goal of \$0 in net regulatory costs by the end of this fiscal year.

AFFORDABLE CARE ACT

Since passage, based on total lifetime costs of the regulations, the Affordable Care Act has imposed costs of [\\$53 billion](#) in final state and private-sector burdens and 176.9 million annual paperwork hours.

DODD-FRANK

[Click here](#) to view the total estimated revised costs from Dodd-Frank; since passage, the legislation has produced more than 74.8 million final paperwork burden hours and imposed \$38.9 billion in direct compliance costs.

TOTAL BURDENS

Since January 1, the federal government has published \$146.8 billion in compliance costs (\$32.9 billion in final rules) and has cut 17.3 million paperwork burden hours (due to 22.7 million in reductions from final rules).

[Click below](#) for the latest Reg Rodeo findings.

