Week in Regulation

One Large Deregulatory Rule Vs. One Larger Regulatory Proposal

DAN GOLDBECK | MAY 7, 2018

While there was also a handful of relatively minor rules, the real bulk of last week's regulatory activity came out of two rulemakings: a proposed rule from the Department of Agriculture (USDA) bringing nearly $6 billion in total costs and a final rule from the Food and Drug Administration (FDA) that would save roughly $1 billion. Between both proposed and final rules, agencies published roughly $4.9 billion in net costs and 1,127,476 hours of paperwork. **The per capita regulatory burden for 2018 is *negative* $14.72**.

REGULATORY TOPLINES

- New Proposed Rules: 44
- New Final Rules: 63
- 2018 Total Pages of Regulation: 19,689
- 2018 Final Rules: -$4.8 Billion
- 2018 Proposed Rules: $2.9 Billion

The most notable *regulatory* proposal of last week – and so far this year – is a proposed rule from USDA regarding a "National Bioengineered Food Disclosure Standard." The proposal stems from amendments made to the Agricultural Marketing Act in 2016 that direct USDA to implement a National Bioengineered Food Disclosure Standard (NBFDS) program. The agency estimates that this could cost $471 million annually, or roughly $6 billion over a 20-year horizon. However, in its cost-benefit analysis, USDA notes how it could still be less costly than the de facto nationalization of state-based programs (i.e. Vermont). As such, the agency notes, "This action's designation under E.O. 13771 will be informed by comments received in response to this proposed rule."

TRACKING REGULATORY MODERNIZATION

The one action contributing savings towards the "regulatory budget" established under Executive Order (EO) 13,771 comes from FDA. This final rule extends the compliance deadline for certain nutritional information requirements established in 2016 by a year and a half. FDA estimates that this could produce roughly $1 billion in annual savings ($61 million annually) but would also forgo $900 million in total benefits. Per American Action Forum (AAF) tracking, the $61 million in savings helps put the current FY 2018 regulatory budget savings for the Department of Health and Human Services at $316 million – roughly $290 million ahead of the administration's goal of $28.7 million.

According to AAF analysis, since the start of FY 2018 (beginning Oct. 1, 2017), executive agencies have promulgated 35 deregulatory actions with quantified cost savings against five regulatory measures that impose costs, under the rubric created by EO 13,771 and the administration's subsequent guidance document on the matter. These rules combine for net annual savings of roughly $1.2 billion. This means that agencies have thus far surpassed the administration's cumulative goal for FY 2018 of $687 million in net annual savings.

Click here to view AAF's examination of the administration's progress under the "one-in, two-out" executive order through the end of Fiscal Year 2017.

STATE OF MAJOR OBAMA-ERA INITIATIVES

Based on total lifetime costs of the regulations, the Affordable Care Act has imposed costs of $52.9 billion in final state and private-sector burdens and 176.9 million annual paperwork hours.

Since passage, the Dodd-Frank financial reform legislation has produced more than 82.9 million final paperwork burden hours and imposed $38.9 billion in direct compliance costs.

TOTAL BURDENS

Since January 1, the federal government has published $1.9 billion in net costs savings ($4.8 billion from final rules) and new paperwork burdens amounting to 2.9 million hours (however, this includes 452,653 hours cut under final rules). Click here for the latest Reg Rodeo findings.


Year
[Select All]
2018
2017
2016
2015
2014
2013
2012
2011
2010
2009
2008
2007
2006
2005
Total Number of Regulations Finalized
83
Total Finalized Cost
$-4.8b
Paperwork Hours
-452,653