



Week in Regulation

The Treasury Gets Busy

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The second week of July saw no dramatic change in the overall pace of regulatory activity but featured a notable rulemaking by the Treasury Department. There were 11 rulemakings with some kind of quantified economic impact, but the proposed rules for reporting requirements regarding digital assets stand out. Across all rulemakings, agencies published \$1.9 billion in total costs and added 8.2 million annual paperwork burden hours.

REGULATORY TOPLINES

- Proposed Rules: 26
- Final Rules: 37
- 2024 Total Pages: 57,268
- 2024 Final Rule Costs: \$1.24 trillion
- 2024 Proposed Rule Costs: \$43.8 billion

NOTABLE REGULATORY ACTIONS

The most significant regulatory action of the week was a Treasury Department rule regarding “information reporting and the determination of amount realized and basis for certain digital asset sales and exchanges.” The regulation – entitled [Gross Proceeds and Basis Reporting by Brokers and Determination of Amount Realized and Basis for Digital Asset Transactions](#) – pertains to brokers and dealers in digital assets and carries an annual cost of roughly \$519 million, total costs of \$1.6 billion, and 7.9 million paperwork hours. As digital assets become a more prominent feature of the financial markets, one can expect more of the same from Treasury in the future.

Another financial services [rule](#), this one from the Federal Deposit Insurance Corporation (FDIC), regards the “living wills” of financial institutions. It requires:

the submission of resolution plans by insured depository institutions (IDIs) with \$100 billion or more in total assets and informational filings by IDIs with at least \$50 billion but less than \$100 billion in total assets. The final rule modifies the current rule requirements regarding the content and timing of full resolution submissions, as well as interim supplements to those submissions provided to the FDIC, in order to support the FDIC’s resolution readiness in the event of material distress and failure of these large IDIs.

These updated reporting requirements carry an annual cost of \$46 million, total costs of \$276 million, and 300,000 paperwork hours.

There was also a set of five airworthiness directives from the Federal Aviation Administration with a total cost of \$7.8 million: CFE Company Engines, Airbus SAS Airplanes, The Boeing Company Airplanes, Dassault Aviation Airplanes, Pratt & Whitney Engines, and General Electric Company Engines. These are standard certifications of the safety of airplanes and components.

TRACKING THE ADMINISTRATIONS

The Biden Administration has provided plenty of contrasts with the Trump Administration on the regulatory front. But perhaps the greatest surprise is that it went well beyond restoring the Obama-era regulatory regime and charted its own course. Using the AAF RegRodeo data permits one to update the top-level trends of President Biden's regulatory record compared 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.

Administration	Rules	Costs (\$ Millions)	Paperwork (Hours)
Biden	970	1,692,300.5	306,820,555
Trump	1046	-144,011.6	82,488,970
Obama	1303	308,408.3	248,218,565

Last week's main actions were proposed rules, so there is less than a \$2 million change in the Biden Administration's to-date final rule tallies. As for the other two administrations, there was essentially no movement on the Obama-era tally, but the Trump Administration saw a modest \$50 million in new costs.

TOTAL BURDENS

Since January 1, the federal government has published \$1.29 trillion in total net costs (with \$1.24 trillion in new costs from finalized rules) and 64.7 million hours of net annual paperwork burden increases (with 21.9 million hours coming from final rules).