The Daily Dish

The Outlook for Regulatory Reform

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Eakinomics: The Outlook for Regulatory Reform

The Trump Administration's success in controlling regulatory costs has been a regular feature of Eakinomics. But that doesn't mean that everything is perfectly hunky-dory. For example, as noted by AAF's Dan Goldbeck, "Despite broader deregulatory efforts, the cumulative amount of paperwork imposed by the federal government has increased by over one billion hours in recent years." Since the goal of the Paperwork Reduction Act (PRA) was to reduce paperwork, it is pretty obvious that the PRA is not working.

An alternative would be to impose the same kind of budget on paperwork hours that agencies now face for their regulatory costs. This policy should be a relatively straightforward endeavor, as much of the data one would need is already available. As Goldbeck puts it, the Office of Information and Regulatory Affairs (OIRA) "has a repository of the cumulative paperwork burdens imposed by 'information collection requirements' (ICRs) utilized by agencies that it updates daily. That establishes a baseline, both overall and on an agency-by-agency level. The ICR clearance process already includes hard estimates of how changes in certain requirements would affect their public burden."

It would also be desirable to strengthen the regulatory-costs budget at the same time. AAF's Dan Bosch argues that additional transparency would be a step in the right direction. He notes, "Though OIRA releases a list of actions that make up its final tally each year, it does not include either the savings or cost amount associated with each action. This limitation can undermine confidence in the results and provide detractors with fodder to criticize the regulatory budgeting process." Clearly, the less confidence inspired by the current regulatory budget regime, the less likely it will be to survive in a new administration.

The obvious fix is to make sure that OIRA provides the value of each action included in the budget calculations. AAF attempts to track the impact of each rule with its

annual projection of results. Such projections are never going to be perfect, but the goal is simply to clarify whether the action will be covered by the regulatory budget and what its value for regulatory budgeting purposes is.

In short, there can be some relatively straightforward improvements to the regulatory regime. That is important, because some significant rulemakings are on the horizon in 2020. For example, regulatory savings will primarily come from finalization of the Safer Affordable Fuel-Efficient Vehicles Rule (which it appears will save about $80 billion), while there will be substantial costs from the Department of Homeland Security (about $35.2 billion) from rules aimed at restricting immigration.