Insight

The Trump 2.0 Deregulatory Agenda: A Half-year Check-in

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EXECUTIVE SUMMARY

- In the first six months of President Trump's second term, fully implemented deregulatory actions containing some measurable economic impact have accounted for an estimated $86 billion in total regulatory cost savings and 52.2 million hours in paperwork reductions.
- Much of these savings are tied to a single rulemaking, belying the fact that – outside of that one action – this opening salvo lags behind similar efforts undertaken in the first six months of Trump's first term in 2017 in certain ways.
- Various proposed rules and other planned actions established in these opening months, however, suggest that even bolder measures with important quantitative and qualitative effects are very much underway.

INTRODUCTION

This past weekend marked six full months since President Trump's second inauguration. As such, it seems like an appropriate time to review what his administration has done thus far to enact his deregulatory agenda – especially in comparison to the first six months of his previous term in 2017. So far into 2025, the Trump Administration – through both rulemakings of its own accord and legislation passed via the Republican-controlled Congress – has been responsible for estimated reductions of roughly $86 billion in regulatory costs and 52.2 million hours of paperwork burdens. Outside of a single action that accounts for the vast majority of those totals, however, the Trump 2.0 deregulatory agenda has somewhat surprisingly fallen behind the 1.0 iteration in a few respects. Nevertheless, there

is plenty to suggest that this current administration is just getting started and has far more significant plans in the works.

CONGRESSIONAL REVIEW ACT

One of the more high-profile developments from the start of Trump's first term was the use of the Congressional Review Act (CRA) – the 1996 law that allows a new, party-aligned Congress and president (a so-called "trifecta") to directly rescind rules promulgated by the immediately preceding administration via a vote not subject to a Senate filibuster. This was likely due in no small part to the fact that, prior to early 2017, there had only been one rule successfully repealed under the CRA. Then, in those opening months of 2017, President Trump and congressional Republicans passed 14 resolutions of disapproval that repealed a series of Obama Administration rules that involved $3.7 billion in total regulatory costs and 4.3 million hours of paperwork.

Despite expectations that this year's similarly situated Republican trifecta would significantly exceed those totals, this current term has not quite kept pace with its predecessor – at least in a quantitative sense. Through July 20, 2025, this current trifecta has passed 16 CRA resolutions that repeal Biden-era rules containing roughly $3 billion in estimated costs and 2.3 million hours of paperwork. These totals – derived directly from agency estimates – fall behind those of the 2017 cohort, and the window to rescind further Biden Administration rules has largely closed.

This current trifecta, however, does not seem to be totally done with the CRA. Between voting down a series of Environmental Protection Agency (EPA) "waiver determinations" in late May and pending resolutions on Department of Interior actions, this current crop of lawmakers seems more than open to utilizing the CRA's expansive definition of "rule" to strike down a series of items. Even if these are not typical notice-and-comment rulemakings that have some clearly discernable economic impact, one can expect to see continued action from time to time on the CRA front this term.

FINAL RULES ENACTED

What makes the CRA such a powerful tool for policymakers is that it can be a rather immediate vehicle for implementing a given administration's deregulatory policies. The only other realistic option typically is to go down the route of notice-and-comment rulemaking to rescind or significantly update prior rules. This process, however, can often take a substantial amount of time and resources, thus making it difficult to see results early on. For instance, in the first six months of 2017, out of the final rules that contained quantified

economic estimates and were clearly associated with Executive Order (EO) 13771 – President Trump's original deregulatory agenda order – such rules added up to net costs and paperwork increases of roughly $550 million and 566,000 hours, respectively.

The record for this second term has been far more prodigious. As of July 20, across 17 items with some connection to EO 14192, agencies have implemented net cost and paperwork reductions of $82.9 billion and 49.9 million hours, respectively. The vast majority of these cuts, however, came from the Financial Crimes Enforcement Network all but repealing its Beneficial Ownership Information Reporting Requirement (BOI) rule back in March. Without that rule, the 2025 totals thus far come out to net increases of $1.1 billion in costs and 3.3 million hours of paperwork.

If one takes the combined totals of CRA-based rescissions and final rules costs/savings for 2017 and 2025 *sans* the BOI rule, the former comes out ahead from a regulatory burden-cutting perspective. For 2025, the totals would yield $1.9 billion in cost savings and roughly 1 million hours in net paperwork increases. Meanwhile, the respective 2017 totals would be approximately $3.3 billion net cost savings and 3.7 million hours in paperwork reductions.

PROPOSED RULES COMING UP

An area where the first half of 2025 really jumps ahead of the first half of 2017, however, lies in the pipeline of what is yet to come. Through July 20, 2017, proposed rules from agencies that had some connection to EO 13771 added up to $68 million and 1.8 million in net increases of both costs and paperwork. The commensurate totals for 2025 thus far come out to net reductions of $6.3 billion and 11.8 million paperwork hours, respectively. Much of this came during a massive early July surge in deregulatory proposals, largely from the Department of Labor. Given the timing of many of these rulemakings, however, it is unlikely they will become final by September 30 (the end of fiscal year (FY) 2025) and thus will most likely fall into the FY 2026 regulatory budget under EO 14192. The administration's still-forthcoming Unified Agenda of Regulatory and Deregulatory Actions will hopefully give a better sense of the full scope and timing of its upcoming cost-cutting plans.

DEVELOPMENTS BEYOND JUST COSTS AND SAVINGS

Back in February, the president issued a series of orders setting up some remarkable changes in the traditionally understood "administrative state." With the benefit of a few months of hindsight, one can begin to ascertain the effects of these directives. The first one ordered so-called "independent agencies" to begin submitting their rulemakings to the Office of Information and Regulatory Affairs (OIRA) for review like their cabinet agency

counterparts. A subsequent OIRA memorandum fleshed out further details on the matter. For the period of January 21 through July 20, 2025, there have been 21 rules submitted for OIRA review by agencies that previously were not required to do so. This represents roughly 11 percent of the 183 rulemakings reviewed by OIRA over that period.

The other key order from earlier this year directed agencies to: A) take a more expansive approach in how and why they rescind certain existing regulatory provisions, and B) be more aggressive in asserting "enforcement discretion" to effectively provide regulatory relief to covered entities without going through the full rulemaking process. There is evidence emerging from these first six months that suggests agencies are following through on these directives.

In May, the Department of Energy (DOE) issued a host of "direct final rules" (DFRs) – thereby forgoing the usual notice-and comment process – repealing past requirements or provisions of varying significance. DFRs generally come with the caveat that, if the agency receives sufficient adverse feedback in comments from the public, it will withdraw the DFR and undergo the full rulemaking process instead. In mid-July, however, after DOE apparently had received some degree of adverse comments, the agency merely noted that it was delaying the effective date of its original DFRs. Such a move suggests that at least DOE, if not other agencies, is examining how to further press the traditionally understood bounds of the rulemaking process in enacting its policy preferences.

The other notable series of items emanating from these shifts in regulatory policymaking comes from the White House, itself. Just last week, the president issued a series of proclamations in which he asserted his authority under an obscure provision of the Clean Air Act (CAA) to push back the compliance date for certain entities subject to relevant CAA regulations for up to two years. This represents one of the clearest examples thus far of the administration trying to find ways to essentially deregulate – albeit for a time-limited period – via the concept of enforcement discretion rather than undergoing the full rulemaking process.

CONCLUSION

The top-line figures the current administration can defensibly claim as regulatory savings are substantial. But if one has had the sense that the president's deregulatory agenda has either fallen behind the 2017 experience in certain respects or taken a back seat relative to other policy priorities, then there is evidence to back up such intuitions. Outside of one massive rollback rule, Trump 2.0 deregulation has had its fits and spurts thus far, at least in terms of actions that have some meaningful economic impact. That's not to say it has been a

nothing-burger, though. With many more rule-repealing initiatives still in the hopper and a governing mentality seemingly dead-set on stress-testing prior policymaking norms, there is plenty to suggest the next 42 months will leave these first six in the dust.