Insight

What Will Reg Week Save Businesses?

SAM BATKINS | JULY 24, 2012

This week the House will take up one of the most significant regulatory reform bills in decades, the *Red Tape Reduction and Small Business Job Creation Act* (H.R. 4078). This bill combines several ideas to reform the regulatory process, ultimately saving $267 billion and potentially thousands of jobs. To put it in perspective, that is more than GDP growth in the last quarter. Additionally, it would:

- Freeze all major regulations (those with an economic impact of $100 million or more) until the earlier of two years or until the unemployment rate drops below 6 percent;
- Enhance protections for states and local governments;
- Prevent "Midnight" regulations from taking effect;
- Modify regulatory actions after consent decrees; and
- Strengthen Dodd-Frank oversight by requiring CFTC and SEC to analyze costs and benefits.

Rule's Impacted by H.R. 4078	**Estimate**
EPA's Fuel Economy Standards	$157 Billion
DHS's Importer Security Filings	$70 Billion
EPA's Coal Combustion Residuals ("Coal Ash" Rule)	$20.3 Billion
EPA's Tier 3 Fuel Standards	$8 Billion

OSHA's Silica Rule	$5.5 Billion
DOT's Vehicle Rearview Mirrors	$2.7 Billion
OSHA's Personal Fall Protection Systems	$1.5 Billion
HHS's Labeling of Standard Menu Items	$757 Million
EPA's Refinery Standards	$460 Million
HHS's Labeling of Food in Vending Machines	$421 Million
BLM's Fracking Proposal	$376 Million
EPA's Fracking Regulation	$233.8 Million
DOL's Companion Exemption	$122.4 Million
DOT's Electronic Stability Control	$113.6 Million
EPA's NAAQS for PM	$69 Million
SEC's Disclosure Regulations for Resource Extraction Industries	$11.8 Million
Total	**$267 Billion**

The most expensive rule on the list, 2017-2025 CAFE standards, is currently at the White House, along with 29 other EPA regulations. At $157 billion during the life of the rule, it is easily one of the costliest in recent years. Its target publication date is August, but it could be pushed into the "Midnight" period (after Election Day and before the following Inauguration Day).

There are two final rules on this list that EPA has publically released but not yet published in the *Federal Register*. There is a gray area about whether successful passage of H.R. 4078 would affect the final refinery and fracking regulations, but the rules could be expedited for publication before the bill is signed into law.

Even if H.R. 4078 were to become law, CBO's recent cost estimate noted the unemployment rate will "remain above 6.0 percent until late 2016;" thus, many White House regulations would be delayed for two years. In fact, this would

be the most significant regulatory overhaul since the 1990s, when Congress passed the Unfunded Mandates Reform Act, the Small Business Regulatory Fairness Act, and the Congressional Review Act.

The House is expected to vote on the *Red Tape Reduction and Small Business Job Creation Act* later this week.