Week in Regulation

$27 Billion in Costs

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It was a record week for regulatory burdens, as the administration published more than $27 billion in total costs. Annualized costs were $2.8 billion, compared to $14.1 billion in annualized benefits. This is the first time that benefits exceed costs for the year. This week's regulatory cost equates to a per person burden of $88.16.

REGULATORY TOPLINES

- New Proposed Rules: 47
- New Final Rules: 77
- 2014 Significant Documents: 173
- 2014 Total Pages of Regulation: 25,482
- 2014 Proposed Rules: $26 Billion
- 2014 Final Rules: $31 Billion

AAF has catalogued regulations according to their codification in the Code of Federal Regulations (CFR). The CFR is organized into 50 titles, with each title corresponding to an industry or part of government. This snapshot will help to determine which sectors of the economy receive the highest number of regulatory actions.

Regulation by Industry in 2014			
CFR Title-Industry	Regulations	Cost (in millions)	Hours
6-Domestic Security	1	57.4	

Regulation by Industry in 2014			
7-Agriculture	8	$25.2	677,196
8-Aliens and Nationality	1		45,000
10-Energy	8	$22,200	91,131
12-Banking	21	$480	1,868,319
14-Aeronautics	104	$767	145,999
16-Commercial Practices	4		2,759
17-Commodities, Securities	8	$281	423,538
18-Conservation	5	$15	178,601
20-Employees' Benefits	1	$1.1	6,360
21-Food and Drugs	10	$5,256	3,531,545
22-Foreign Relations	1		-109,900
23-Highways	2	$296	
26-Internal Revenue	6		8,335,000
28-Judicial Administration	1	$451	
29-Labor	7	$202	919,775
30-Mineral Resources	1	$89	176,321
34-Education	1	$2,360	6,942,377
37-Patents, Copyright	1	$43.4	111,810
38-Veterans' Relief	1		5,500
40-Environment	15	$16,176	6,026,117
41-Public Contracts	1	$8	107,100
42-Public Health	4	$164	1,069
44-Emergency Management	1	-$19.6	-540,954
45-Public Welfare	7	$693	2,215,249

Regulation by Industry in 2014			
46-Shipping	1	$0.3	842
47-Telecommunication	8	$67	227,746
48-Federal Acquisition	1		557,939
49-Transportation	13	$2,621	-20,151,471
50-Wildlife and Fisheries	1	$420	
Multiple Titles	7	$4,392	-857,015

On Monday, EPA published its Tier 3 fuel emissions standards, which cut the sulfur content in gasoline from 30 parts per million to 10 parts per million. AAF reviewed the final rule here. EPA notes that the regulation will increase gasoline prices by roughly one cent and raise the price of a vehicle by $80. The annualized benefits of Tier 3 are $12.3 billion, compared to $1.5 billion in costs.

The Department of Energy (DOE) published the second costliest regulation this week, a proposal to increase efficiency standards for fluorescent lamps. The total cost of the measure is $12.8 billion. DOE has now finalized three economically significant efficiency standards this year and proposed four more. In addition, the White House is currently reviewing five "economically significant" pending standards. The agency could easily take the crown for costliest regulator in 2014.

AFFORDABLE CARE ACT

There were no notable health care rulemakings this week. Since passage, based on total lifetime costs of the regulations, the Affordable Care Act has imposed an estimated cost of $27.5 billion in private-sector burdens, approximately $8 billion in costs to the states, and 159.1 million annual paperwork hours.

DODD-FRANK

There were three Dodd-Frank rulemakings this week. Combined, they added $220 million in total costs and more than 37,000 hours. One final rule, Regulatory Capital Rules, would not impose direct compliance costs, but increased capital standards would result in foregone tax benefits. For this measure, supervised institutions would lose roughly $200 million in tax benefits from switching capital.

Click here to view the total estimated compliance costs from Dodd-Frank; since passage, the legislation has produced more than 60.5 million paperwork burden hours and imposed $21.8 billion in direct compliance costs. Based on calculations from the Financial Services Roundtable, Dodd-Frank regulations would require 30,211 employees to file federal paperwork.

A NOTE ON NOTICES

There were 504 notices published this week. Regulators proposed 25 new paperwork requirements, imposing 4.1 million paperwork burden hours. One of these notices monetized the cost of completing paperwork, adding $1,850 to the overall compliance burden.

There were three major changes to existing paperwork requirements (defined as an hourly burden increase or decrease of 500,000 or greater). These changes accounted for a net total decrease of 65.6 million burden hours.

TOTAL BURDENS

Since January 1, the federal government has published $57 billion in compliance costs and has imposed more than 10.9 million paperwork burden hours on net. Click here for our comprehensive database of regulations and rulemakings promulgated in 2014.