



The Daily Dish

Another Reminder on Regulatory Costs

DOUGLAS HOLTZ-EAKIN, PATRICK HEFFLINGER | SEPTEMBER 23, 2016

On Wednesday the House passed a bill to help small businesses protect against digital threats. The bill will increase federal assistance to small businesses and calls for the Small Business Administration and the Department of Homeland Security to develop a strategy that will give aid to small businesses.

In a vote of 282-143, the House passed the bipartisan Iranian Leadership Asset Transparency Act which requires the Department of Treasury to disclose the assets of Iran's top political and military leaders. The bill's aim is to prevent businesses and financial institutions from mistakenly funding terrorism or becoming involved in money laundering. Recent American Action Forum (AAF) research found that of the \$1.7 billion the United States paid to Iran, \$1.1 billion will likely fund the Islamic Revolutionary Guard Corps (IRGC), which is Iran's elite paramilitary force. The IRGC is known to actively support a multitude of terrorist groups throughout the Middle East. The president has vowed to veto the bill once it comes across his desk.

Eakinomics: Another Reminder on Regulatory Costs

The National Association of Manufacturers (NAM) has released a report highlighting the compliance and economic costs of the Obama Administration's labor regulations. As reported in the Hill newspaper, "Labor regulations from the Obama administration will cost businesses \$81.6 billion in compliance costs over the next 10 years" and that NAM "estimated that 155,700 jobs will be lost over the next 10 years as a result of Obama administration labor rules."

These findings are hardly surprising. AAF has highlighted the fact that the administration has finalized over 600 "major" (with an economic impact of more than \$100 million) rules — fully one-third higher than any other administration. Moreover, the cumulative regulatory burden of Obama rulemakings has surpassed \$800 billion — over \$100 billion per year. If the Treasury had raised taxes at that pace everyone would be well aware and most would question whether it was a good idea in a slow-growing economy.

The Hill highlighted that "The most costly regulations pointed to in the study include the overtime rule to make 4 million people eligible for overtime pay, new standards for how much silica dust workers can be exposed to and a rule forcing federal contractors to report past labor law violations when bidding for a contract."

These, and a myriad of other, regulations have become a focal point of end-of-the year government funding discussions. So-called appropriations "riders" preclude agencies from using their funding for certain activities, including implementing new rules. Conservatives are hoping to use the funding lever to cease implementation of a wide variety of rules. But it is important to remember that these are important economic headwinds and not merely political footballs.