The Daily Dish

Closing the Books on 2019 Regulation

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Eakinomics: Closing the Books on 2019 Regulation

AAF's Dan Bosch has a nice summary of regulatory activity in 2019 based on computations using the Reg Rodeo database. The punch line is this: "2019 marked a return to net regulatory costs published by the federal government. Whereas 2018 concluded with agencies finalizing $7.8 billion in net savings, this year agencies combined to finalize $27.3 billion in net costs."

In short, it *sounds* like the Trump Administration took a U-turn away from its 2017 and 2018 successes in reducing the burden of federal regulation, but the story is a little more complex than that. If one tosses out the costly ($27.5 billion) Regulation Best Interest, the result would have been another year of reduced regulatory costs. That this rule made the year net-regulatory is a bit ironic since it replaces the Obama Administration's Fiduciary Rule that cost $31.5 billion. (Similarly ironic is that the Affordable Clean Energy rule replaced the costly Clean Power Plan, but was viewed as imposing a net cost.)

Bosch lists the 10 most expensive rules and the 10 rules with the greatest cost reduction and points out that the preponderance of costs and savings comes from relatively few rules. Of the 3,176 rules published in 2019, only 20 rules make up 93 percent of costs and 88 percent of savings.

According to Bosch, the "costliest agencies in 2019 were the SEC ($28.3 billion), the Department of Treasury ($9 billion), and the Department of Veterans Affairs ($2.3 billion). The agency generating the most savings for the year was the Department of Labor ($7.9 billion), primarily on the savings of its revision of the Obama Administration's overtime rule. Other agencies that saved more than $1 billion on net were the Department of the Interior ($1.5 billion) and EPA ($1.2 billion)."

With one more year to go in this term, a continued focus on reducing the regulatory burden will be the route to an important legacy of the administration's tenure.