



The Daily Dish

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Oil prices will drop if the US opens up exports, that is what [a new report](#) from the GAO says. The report continued, “Removing export restrictions is expected to increase the size of the economy, with implications for employment, investment, public revenue, and trade.” This report is just the most recent advice pulling the administration inch-by-inch towards [ending](#) the export restrictions.

There are fewer than two weeks left until the ACA’s open enrollment begins, but a new survey says few without insurance are aware of that fact. According to the [New York Times](#), the 89 percent who are unaware of the impending tax penalty is “a big deal because, unlike last year, the enrollment period for marketplace plans is only three months long.” For those who already have insurance, [AAF has identified](#) the seven ways your exchange premium may increase.

Eakinomics: Reducing the Burden of Regulations

We had a couple of readers suggest tackling how to reform the burdensome regulatory system. It’s a good question, with two possible strategies for an answer. The first imagines rewinding the clock to 1776 and re-imagining the constitutional Legislative-Judicial-Executive mix. That might make a good novel, but I’ll follow the second branch; what could get done in the foreseeable future?

There are four ingredients in the recipe for a reduced regulatory burden:

(1) Start with better regulations. The U.S. has a system of benefit-cost analysis for new regulations. Benefit-cost analysis is not a panacea. It is difficult to execute and fraught with data shortages and analytic pitfalls. But it *is* a method for imposing consistency in regulations across agencies and for imposing transparency on the assumptions being made. At present, however, independent agencies do not have to comply with the process of the Office of Information and Regulatory Affairs ([OIRA](#)), which was created to review federal regulations. Senator Rob Portman has proposed [legislation](#) to bring the independent agencies, *e.g.* the Commodity Futures Trading Commission, the National Labor Relations Board, or the Federal Trade Commission) under the OIRA umbrella.

(2) Put some teeth into existing laws. At present, the agencies pay little or no price for violating existing laws, *e.g.*, The Paperwork Reduction Act, intended to control the regulatory burden. For new laws to work, they must carry either a serious threat of judicial action or some other stick. Senator Marco Rubio, for example, [proposed](#) that wayward agencies automatically face budget reductions. There is no easy solution, but in the absence of penalties even a new regime is effectively illusory.

(3) Retrospective review. Bad, old regulations simply have to go away. There is no legislated process, however, for systematically [looking back](#) over existing regulations to identify the deadwood. President Obama, following the footsteps of his predecessors, has issued an executive order asking agencies to identify and remove the deadwood. If this is a good idea, why not codify it and build an effective retrospective review?

(4) A regulatory budget. Just as public spending is (in principle) given an overall cap and an allocation across activities by a federal budget, the same would be true for the costs of regulation under a [regulatory budget](#). In 1980, just months before he would take the reins at OIRA, Christopher DeMuth [outlined](#) the possible implementation, and drawbacks, of a budget for regulation. “Each year (or at some longer interval), the federal government would establish an upper limit on the costs of its regulatory activities to the economy and would apportion this sum among the individual regulatory agencies.” Since then there has been an active debate over the best way to implement a budget. It is time to move forward.

The costs of regulation continue to mount and the economic toll rises in pace. It is time to get serious about reducing the regulatory burden.

From the Forum

[Primer: The Small Business Health Options Program \(SHOP\)](#) by Angela Boothe, AAF Health Care Policy Analyst