



The Daily Dish

# The Outlook for Regulatory Reform

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## *Eakinomics: The Outlook for Regulatory Reform*

It was hard to decide what to cover in Eakinomics today. After all, yesterday the Federal Communications Commission (FCC) voted to reclassify broadband as an information service, thus handing policing of abusive practices back to the Federal Trade Commission (FTC). Despite breathless coverage about the “death of the Internet,” this is really much more of a yawner than most realize. Will Rinehart elaborates [here](#).

However, the really big story was that the Trump Administration’s Office of Management and Budget issued its Unified Agenda of Regulatory and Deregulatory Actions, a twice-yearly release by the Office of Information and Regulatory Affairs (OIRA). The Unified Agenda collects in one place the anticipated regulatory activities of 24 departments, agencies, commissions and the like. It provided an update on the efforts under the president’s “2 for 1” executive order and [showed](#) that in fiscal 2017 there were 67 deregulatory actions and 3 regulatory actions. That is, instead of 2 out for every 1 new regulation, the actual was 22 to 1. OIRA indicates that these net deregulatory actions reduced the compliance burden by \$570 million per year, which is equivalent to a one-time, up-front saving of \$8.1 billion.

The really pathbreaking information was in the plans for 2018. For each of the 24 regulatory entities, OIRA produced a regulatory “budget” — the amount by which the entities’ regulations are permitted to increase the overall cost of complying with regulations. These budgets, [detailed by Dan Bosch](#), show that overall deregulation will accelerate. Annualized costs are to decline by \$687 million, or an up-front \$9.8 billion. Not all entities were created equally; 8 got budgets of zero — that is, flat overall regulatory burdens. The remaining 16 got negative targets — that is, continued deregulation. Of note, nobody got an increase. Among the decreases, the largest is the Department of Interior, with \$196 million in annualized reductions, or \$2.8 billion in up-front costs.

At the nerd level, there was a bit more news as well. In order to enforce budgets, there has to be a common metric for measuring costs. OIRA took a step forward and enforced a [common method](#) of measuring the costs, especially by making sure that every regulatory entity used comparable time periods over which to do the cost accounting. The infrastructure of regulatory budgets and cost accounting have taken a very large step forward and will doubtlessly continue to evolve in the years to come.

Yesterday was an important day in regulation, but not just because of the FCC-related headlines.