



Passing the Regulatory Baton

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Eakinomics: Passing the Regulatory Baton

AAF's [Regulation Rodeo](#) has closed the books on 2020. Dan Bosch and Dan Goldbeck [report](#) that agencies finalized 441 regulations and collectively imposed \$14.7 billion in regulatory burden costs. (Herein, "regulations" are restricted to those with a significant, quantifiable economic impact.) This is the second-largest total during the Trump Administration, and occurred even though it published the largest deregulatory action – saving \$200 billion – of its term in 2020. The authors note: "The costliest rules of 2020 centered around defense contracting, health care, and immigration. Four of the five costliest rules of the Trump Administration were published last year. The largest of these, a rule increasing cybersecurity requirements on defense contractors, is the second-costliest rule the American Action Forum has tracked in its [RegRodeo](#) database, which looks back through 2005."

This final uptick notwithstanding, the four years of the Trump Administration stand in sharp contrast to the Obama Administration years. As the table (below) shows, over the four years 2017-2020, the administration finalized 1,336 rules. This averages out to 334 per year or a bit under one per day (0.92 per day). The Obama years showed more activity, with 1,516 rules in the first term and 1,496 in the second term. These averaged 379 and 374 rules per day, respectively, or a bit over 1 per day in each term.

But the real difference is in the burden of regulation. As shown in the rightmost three columns of the table, the Trump years featured a total burden cost of \$64.7 billion, which translates to \$16.2 billion per year and \$48.4 million per regulation. In (sharp) contrast, the first Obama term saw nearly \$500 billion in costs, or \$125 billion per year and \$330 million per regulation. In the second term, the pace slackened modestly and yielded "only" \$372 billion in total costs, or \$93 billion a year and \$249 million per regulation. As has been noted repeatedly in Eakinomics, there is no precise known linkage between these burdens and overall economic performance, but it has to matter.

	Regulations Finalized			Burden Cost		
	Total	Per Year	Per Day	Total (\$billions)	Per Year (\$billions)	Per Reg (\$millions)
Trump	1336	334	0.92	\$64.7	\$16.2	\$48.4
Obama 1	1516	379	1.04	\$499.7	\$124.9	\$329.6
Obama 2	1496	374	1.02	\$371.9	\$93.0	\$248.6

Now the issue becomes how the Biden Administration handles the macroeconomics of regulation. To put it starkly, the Obama Administration started with \$800 billion in stimulus only to throw up \$500 billion in regulatory headwinds. Does the Biden Administration believe that its \$1.9 trillion stimulus request buys it \$1.6 trillion in regulatory wiggle room?

Let us hope not. Regardless, AAF will be watching and Regulation Rodeo will be counting.