The Daily Dish

The Quiet (Yes, I Used That Term) Trump Success

DOUGLAS HOLTZ-EAKIN, PATRICK HEFFLINGER | FEBRUARY 9, 2017

Yesterday Intel chief executive Brian Krzanich announced that the company will invest $7 billion to build a nanometer chip factory in Arizona. Krzanich made the announcement while at the White House meeting with President Trump, according to Intel, the factory will employ 3,000 and will be supported by over 10,000 people in the Chandler, Arizona area.

This week the House passed a Congressional Review Act (CRA) resolution to undo the Obama Administration's "Planning 2.0" rule. The rule had reorganized the way the federal government manages land. Critics of the rule argued the rule diminished the authority of local leaders and land owners while increasing the power of the federal government.

Eakinomics: The Quiet (Yes, I Used That Term) Trump Success

President Trump's early moves on trade (withdrawing from the Trans-Pacific Partnership, re-opening the North American Free Trade Agreement), immigration (the border wall and travel ban), national security (reshuffling the National Security Council, the Yemen raid), health care (the executive order regarding the Affordable Care Act, threatening to negotiate drug prices), tax reform (does he or doesn't he border adjust?), bully-pulpiting U.S. firms (insert firm of your choice here), and international relations (hanging up on the Australians, infuriating the Mexicans) and more have lent a noisy, cacophonous, chaotic feel to the early days of his administration.

But underneath the surface, one issue has been quietly quite successful and continues to move apace: regulatory reform. Recall that regulatory reform comes in a variety of flavors. One is the president himself using executive orders (EOs) to alter the stance of government policy; the EO on Obamacare has this quality. A second is to look back at Obama-era "midnight" regulations and undo them using the Congressional Review Act (CRA) — a set of expedited procedures for Congress to vote down those regulations finalized in the last 60 legislative days of the previous Congress. Historically, only one (1!) rule had been removed using the CRA — a Clinton rule on ergonomics removed early in the George W. Bush first term. Congress has already passed 2 CRA bills through both the House and Senate, another 20 or so have been introduced, and it is a good bet that perhaps as many as 10-12 will ultimately be signed by President Trump. This is nothing short of extraordinary. Possible savings could easily exceed $5 billion.

The third approach is to have agencies begin a new rule making a process to replace offending rules. This takes time and awaits a full staffing of the administration. The final avenue is to change the rule making process itself. President Trump's EO on regulatory discipline is one approach to this. In addition, the House has passed both the REINS Act (which would require Congress to approve any regulation with costs exceeding $100 million) and the Regulatory Accountability Act (which revamps the process to improve the design and vetting of regulations). Both await action in the Senate.

The remainder of the policy agenda remains in the spotlight. But regulatory reform quietly continues apace.