



The Daily Dish

The Biden Regulators Ramp Up

DOUGLAS HOLTZ-EAKIN | MAY 2, 2023

It is easy get lulled into a state of regulatory complacency by the steady drumbeat of new rules dropping out of the Office of Information and Regulatory Affairs (OIRA). Fortunately, AAF has the perfect antidote: Dan Goldbeck. His [Week in Regulation](#) appears each Monday and offers the best way to stay abreast of rulemaking developments: “Last week, there were 11 rulemakings with some measurable economic impact. This cohort of actions extended [the weeks-long trend](#) of costs in the billions of dollars.” And: “Across all rulemakings, agencies published \$43.4 billion in total costs and added 1.8 million annual paperwork burden hours.”

The blockbuster news was the leading edge of the forthcoming climate-related regulatory tsunami: “...the [proposed rule](#) from EPA regarding ‘Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles-Phase 3.’ The proposal represents the latest salvo in EPA’s ongoing rulemakings seeking to make vehicles less carbon-intensive. In particular, this round would set ‘standards for heavy-duty highway vehicles starting in model year (MY) 2028 through MY 2032 and to revise certain GHG standards for MY 2027.’ EPA expects the standards to reduce GHG emissions by 2.3 billion metric tons, but upfront costs will add up to roughly \$39 billion. EPA is set to have a massive end to spring on the climate change regulatory front with a companion rulemaking on GHG emissions from [light-duty vehicles](#) and a new set of standards for [power plants](#) both forthcoming in the near future.”

There are a couple of things to note. First, these requirements are being imposed quickly, beginning in model year 2027. Second, a rough calculation indicates that the 2.3 billion metric tons of emissions abatement occurs at a cost of roughly \$17 per ton. This is well below [recent estimates](#) of the abatement costs in the Inflation Reduction Act’s climate provisions that range from \$63 to \$124 per ton.

Finally, this week allows the Biden Administration to stretch its lead in the most-costly regulator race. It has finalized 566 rules at an average cost of \$642 million, leading to a total burden of \$364 billion. At the same point in his tenure, President Obama had finalized 822 rules at an average cost of only \$259 million, translating to total costs of \$213 billion. In a distant third place, President Trump’s numbers stood at 638 rules, \$10 million per rule, and a total of \$6.1 billion.

Regulations are supply shocks that raise costs and prices, as well as reduce output. From a macro perspective, they are the last thing the economy needs at this juncture.