Week in Regulation

$12 billion in Midnight Regulations

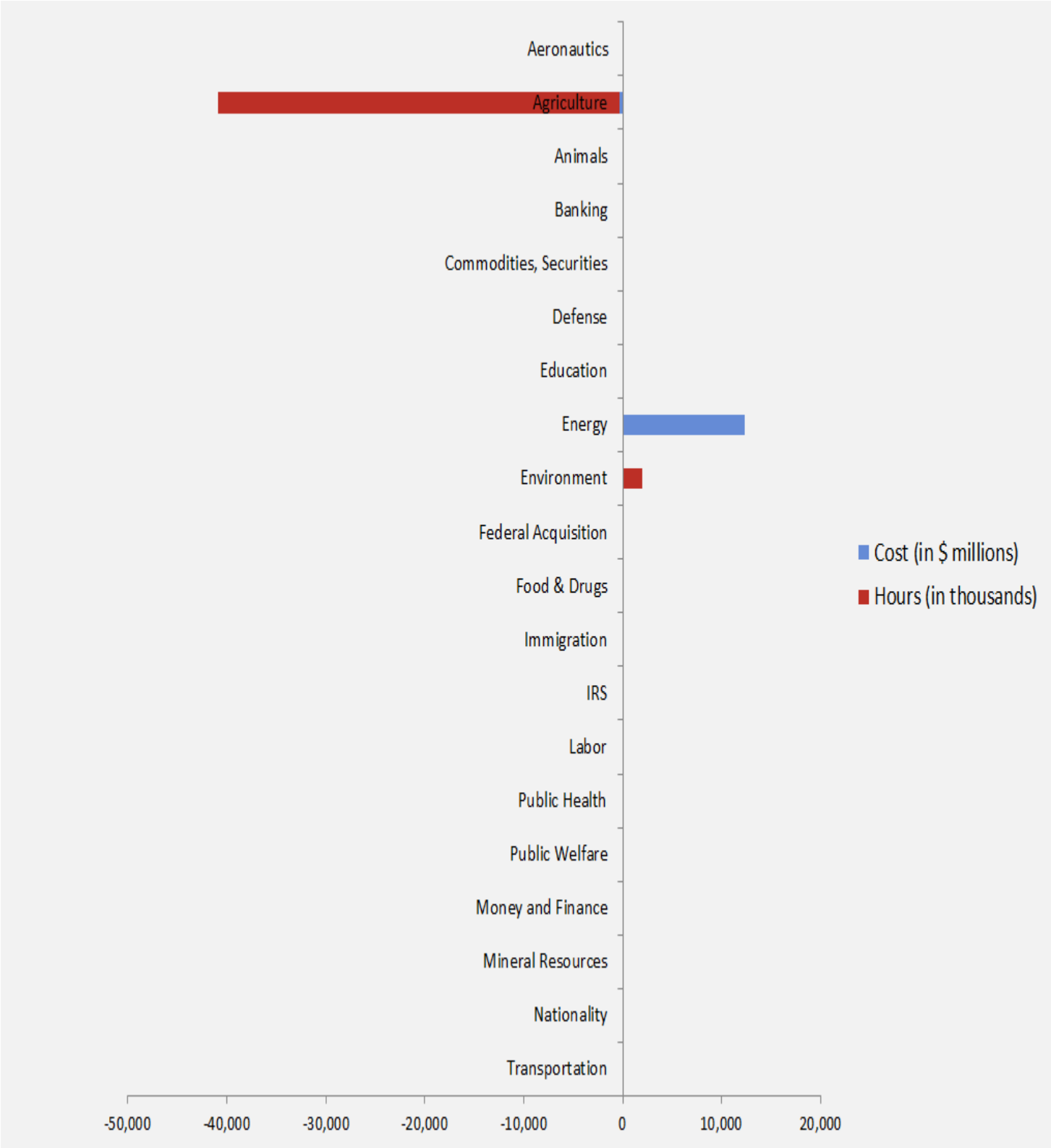
SAM BATKINS | JANUARY 9, 2017

The Obama Administration started 2017 just as they finished last year, with billions of dollars in regulatory costs. This week, regulators published $12.2 billion in total costs; $688 million in annual burdens, compared to $1.4 billion in benefits. Thanks to a significant revision to food stamp reporting, paperwork declined by 38 million hours. A direct final rule from the Department of Energy (DOE) led the week. **The per capita regulatory burden for 2017 is $37**.

Regulatory Toplines

- New Proposed Rules: 51
- New Final Rules: 52
- 2017 Total Pages of Regulation: 2,189
- 2017 Final Rules: $12.1 Billion
- 2017 Proposed Rules: $137 Million

The American Action Forum (AAF) has catalogued regulations according to their codification in the Code of Federal Regulations (CFR). The CFR is organized into 50 titles, with each title corresponding to an industry or part of government. This snapshot will help to determine which sectors of the economy receive the highest number of regulatory actions.



So much for the notion that midnight regulations are not "rushed." This week, DOE issued a direct final rule, which means no earlier proposed rule, for residential central air conditioners. At $12.3 billion in total costs, it is easily the most expensive rule of the year and would have been the fifth most expensive rule from 2016. The benefit-cost ratio of the rule is also less than most typical DOE rulemakings, at 2:1. Last year, the ratio was

4.5:1. Thankfully, there is a comment period and if the agency receives adverse public comment, it could revise the rulemaking. Without a doubt, the incoming administration will scrutinize this regulation.

The Environmental Protection Agency (EPA) finalized a rule to amend certification of pesticide applicators, specifically for restricted use pesticides (RUPs). There is now a minimum age for certification applicators using RUPs and EPA has pledged to take steps to make it easier to establish certification programs on Native American lands. The monetized costs of the rule exceed the benefits: $31 million to $24 million. Furthermore, the final rule imposes more than 1.8 million hours of paperwork.

Despite that hourly imposition, the Department of Agriculture, revising food stamp reporting requirements, managed to cut 40.5 million hours of paperwork in its final rule this week. As AAF has detailed in the past, there have been sharp increases in food stamp paperwork in recent years. In addition to the reporting and recordkeeping cuts, the administration projects regulatory costs to decline by $286 million.

Tracking Midnight Regulation

This week, OIRA received one regulation, which was a final rule. OIRA discharged 12 regulations, with three economically significant measures. Notable regulations released last week include:

- Public Transportation Agency Safety Plans
- Reduction of Lead-Based Paint Hazards
- Changes to Medicare Claims and Entitlement

For the month, OIRA has concluded review of 12 regulations. Throughout 2016, OIRA averaged about two regulations per day; this rate has increased to 3.4 per day since the election.

The Congressional Review Act carryover provision should begin on June 13, 2017. The House and Senate should have until at least mid-May to review rules and vote on resolutions of disapproval.

Affordable Care Act

Since passage, based on total lifetime costs of the regulations, the Affordable Care Act has imposed costs of $51.7 billion in final state and private-sector burdens and 172.4 million annual paperwork hours.

Dodd-Frank

Click here to view the total estimated revised costs from Dodd-Frank; since passage, the legislation has produced more than 74.8 million final paperwork burden hours and imposed $36.5 billion in direct compliance costs.

Total Burdens

Since January 1, the federal government has published $12.2 billion in compliance costs ($12.1 billion in final rules) and has cut 38 million paperwork burden hours (38 million from final rules). Click here for the latest Reg Rodeo findings.