



## Week in Regulation

# Costs Up, Paperwork Down

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A wild week in regulatory activity resulted in a steep increase in 2014's cost burden, but an even steeper decrease in its cumulative paperwork burden. Agencies added nearly \$8 billion in total costs. Energy efficiency standards for commercial refrigerators and the Department of Education's new "Gainful Employment" rule were the main cost drivers. Yet, largely thanks to a proposed Transportation rule, the year's net paperwork burden fell by nearly 15 million hours.

## REGULATORY TOPLINES

- New Proposed Rules: 59
- New Final Rules: 64
- 2014 Significant Documents: [129](#)
- 2014 Total Pages of Regulation: 17,813
- 2014 Proposed Rules: \$11.5 Billion
- 2014 Final Rules: \$15.2 Billion

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.

Regulation by Industry in 2014

CFR Title-Industry	Regulations	Costs (in millions)	Hours
6-Domestic Security	1	\$57.4	
7-Agriculture	6	\$25.2	677,196
10-Energy	7	\$9,311	91,131
12-Banking	12	\$4.6	1,121,164
14-Aeronautics	77	\$690	145,404
16-Commercial Practices	2		788
17-Commodities, Securities	7	\$275	386,201
18-Conservation	4	\$7	76,311
20-Employees' Benefits	1	\$1.1	6,360
21-Food and Drugs	8	\$4,243	2,897,295
22-Foreign Relations	1		-109,900

CFR Title-Industry	Regulations	Costs (in millions)	Hours
23-Highways	2	\$295.5	
26-Internal Revenue	6		8,335,000
28-Judicial Administration	1	\$451	
29-Labor	6	\$152.3	309,600
34-Education	1	\$2,360	6,942,377
37-Patents, Copyright	1	\$43.4	111,810
38-Veterans' Relief	1		5,500
<b>40-Environment</b>	10	\$1,691.7	5,853,996
41-Public Contracts	1	\$7.4	107,100
42-Public Health	3	\$44.5	1,069
45-Public Welfare	7	\$693.1	2,215,249
46-Shipping	1	\$0.3	842
47-Telecommunication	7	\$66.9	227,011
49-Transportation	10	\$1,695	-20,166,831
50-Wildlife and Fisheries	1	\$420	
Multiple Titles	6	\$4,225	-857,015

There were two notable rules imposing burdens this week: the Department of Education’s [revised “Gainful Employment” rule](#) and Department of Energy efficiency standards for commercial refrigerators. Together, their total costs exceed \$7 billion. While the former rule did not monetize benefits, the latter rule estimates that it will result in \$1.5 billion in benefits annually.

In one of the more notable deregulatory measures in some time, the Federal Motor Carrier Safety Administration (FMCSA) proposed a set of amendments to its “Hours of Service” regulations that would result in a dramatic consolidation of red tape. The proposal would mandate the use of electronic logging devices (ELDs) which would automatically record the necessary “Hours of Service” data. While there would be net costs to equip all covered vehicles with this equipment, it would mark a 22 million hour decrease or an 8.5 percent reduction in FMCSA’s overall paperwork inventory.

## AFFORDABLE CARE ACT

There were no notable Affordable Care Act (ACA) rulemakings this week. However, it has now been more than four years since the Act’s passage. The American Action Forum marked the occasion by [examining the ACA’s overall regulatory record](#), and found that its stated costs exceed its benefits by more than 2 to 1.

Since passage, based on total lifetime costs of the regulations, the Affordable Care Act has imposed an estimated cost of [\\$27.5 billion](#) in private-sector burdens, approximately \$8 billion in costs to the states, and 159.1 million annual paperwork hours.

## DODD-FRANK

The most notable Dodd-Frank rulemaking this week was SEC's "Standards for Covered Clearing Agencies." The proposed rule establishes a framework for how certain "clearing organizations" manage trades. It imposes \$225 million in annual compliance costs.

[Click here](#) to view the total estimated compliance costs from Dodd-Frank; since passage, the legislation has produced more than 60.5 million paperwork burden hours and imposed 22.2 billion in direct compliance costs. Based on calculations from the [Financial Services Roundtable](#), Dodd-Frank regulations would require 30,262 employees to file federal paperwork.

## A NOTE ON NOTICES

There were 580 total notices published this week. Regulators proposed 17 new paperwork requirements, imposing 1,000,712 new paperwork burden hours. One of these notices monetized the cost of completing paperwork, adding \$91,668 to the overall compliance burden.

There were two major changes to existing paperwork requirements (defined as an hourly burden increase or decrease of approximately 500,000 hours or greater). This change accounted for a net total increase of 2.4 billion burden hours. There was one major change to existing overall cost burdens. This change added \$48.5 billion to the overall cost burden.

## TOTAL BURDENS

Since January 1, the federal government has published \$26.7 billion in compliance costs and has imposed more than 8.3 million paperwork burden hours. [Click here](#) for our comprehensive database of regulations and rulemakings promulgated in 2014.