



## Week in Regulation

# Transmission Lines and French Dressing Highlight Quiet Week

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The past week of regulatory activity was as chilled as a typical mid-January weather report. There were nine rulemakings with some measurable economic impact, but none of them was particularly major. A rule from the Federal Energy Regulatory Commission (FERC) on transmission line ratings provided the most significant costs. Perhaps the most newsworthy action of the week, however, was a change to the federal government's official regulatory categorization of ... French dressing. Across all rulemakings, agencies published \$114.5 million in total net costs and added 228,119 annual paperwork burden hours.

## REGULATORY TOPLINES

- Proposed Rules: 46
- Final Rules: 79
- 2022 Total Pages: 2,518
- 2022 Final Rule Costs: \$101.4 million
- 2022 Proposed Rule Costs: -\$430.6 million

## NOTABLE REGULATORY ACTIONS

The most significant rule of the week in terms of quantifiable impact was a FERC [rule](#) regarding “Managing Transmission Line Ratings.” According to FERC, the rule seeks “to improve the accuracy and transparency of electric transmission line ratings” by making a series of changes to the reporting requirements applicable to public utility providers. The commission estimates that these new requirements will amount to nearly 185,000 hours of new paperwork each year, with roughly \$20 million in associated annual costs.

## TRACKING THE ADMINISTRATIONS

As we have already seen from [executive orders and memos](#), the Biden Administration will surely provide plenty of contrasts with the Trump Administration on the regulatory front. And while there is a general expectation that the new administration will seek to broadly restore Obama-esque regulatory actions, there will also be areas where it charts its own course. Since the AAF [RegRodeo](#) data extend back to 2005, it is possible to provide weekly updates on how the top-level trends of President Biden's regulatory record track with those of his two most recent predecessors. The following table provides the cumulative totals of final rules containing some quantified economic impact from each administration through this point in their respective terms.

# TRACKING THE ADMINISTRATIONS

REGULATORY ACTIVITY FROM INAUGURATION DAY TO JANUARY 14<sup>th</sup>

	FINAL RULES	FINAL RULE COSTS	PAPERWORK HOURS
<b>BIDEN</b> 2021	<b>252</b>	<b>\$201.1B</b>	<b>131.4M</b>
<b>TRUMP</b> 2017	<b>245</b>	<b>\$5.3B</b>	<b>8M</b>
<b>OBAMA</b> 2009	<b>331</b>	<b>\$40.7B</b>	<b>25.9M</b>

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The FERC rule discussed above provided the vast majority of last week’s final rule totals for the Biden Administration. As such, there was minimal movement in the current administration’s running tally. The Trump Administration, circa early January 2018, also saw little change in its totals with just \$1.5 million in final rule costs and roughly 135,000 hours of new paperwork. The Obama Administration saw the most dramatic movement in its regulatory ledger, however. Driven primarily by a Department of Energy [rule](#) on “Energy

Conservation Standards for Certain Consumer Products” (“Dishwashers, Dehumidifiers, Microwave Ovens, and Electric and Gas Kitchen Ranges and Ovens,” to be specific), the Obama cost total went up by approximately \$500 million.

## THIS WEEK’S REGULATORY PICTURE

This week, the Food and Drug Administration (FDA) says *au revoir* to a French dressing regulation.



On January 13, the FDA published a final rule in the Federal Register revoking the “standard of identity” for French dressing. Under the Federal Food, Drug, and Cosmetic Act, the FDA has the [authority](#) to set the standard of identity for any food for which the administrator determines it will “promote honesty and fair dealing in the interest of consumers.” Back in 1950, the FDA [determined](#) that French dressing was of such import that it required a standard of identity to protect consumers from products marketed as French dressing that did not meet expectations of taste and color (pictured above). The standard was amended four times, most recently in 1974.

The FDA determined the time has come to revoke the standard, determining that consumers are now savvy enough to know what French dressing is without the federal government’s help. When FDA issued the standard, French dressing was the only type of pourable salad dressing covered.

Most of the credit for the revocation belongs to the Association of Dressings and Sauces (ADS), which submitted a rulemaking [petition](#) to FDA in 1998 – coincidentally 24 years to the day of the rule revoking the standard being published. ADS pointed out in its petition that “there has been an incredible proliferation of pourable dressings for salads” both in flavors and fat compositions. The FDA agreed, finding that these varieties appear to be in the interest of consumers’ preferences and dietary restrictions.

What remains unclear is why it took the FDA more than two decades to come to this conclusion. Regardless, manufacturers will now be a little freer to innovate new dressings without fear of running afoul of the French dressing standard of identity.

## TOTAL BURDENS

Since January 1, the federal government has published \$329.3 million in total net cost savings (with \$101.4 million in new costs from finalized rules) and 314,948 hours of net annual paperwork burden increases (with

213,777 hours in increases from final rules).

