

Week in Regulation

Week in Regulation: July 29 to August 2

DAN GOLDBECK | AUGUST 2, 2013

It was paperwork reduction week in the Federal Register, as regulators proposed to cut more than 3.6 million hours, on net. Three substantial measures sought to reduce paperwork, led by an Education proposal and an EPA proposed rule for electronic reporting. However, a pair of FDA rules that regulate imported food will add more than \$5.3 billion in total costs; FDA did not quantify potential benefits. As a result of the deregulatory measures, the net change for the week was \$4.9 billion.

Regulatory Toplines

• New Proposed Rules: 56

• New Final Rules: 82

• 2013 Significant Documents: 373

• 2013 Total Pages of Regulation: 47,152

• 2013 Proposed Rules: \$49.2 Billion

• 2013 Final Rules: \$16.7 Billion

AAF has catalogued regulations according to their likely 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 tool will help to determine which sectors of the economy receive the highest number of regulatory actions.

Regulation by Industry in 2013

CFR Title-Industry	Regulations	Cost (in millions)	<u>Hours</u>
7-Agriculture	7	\$325	32,558,991
8-Aliens and Nationality	2	\$719	749,669
9-Animals	2	\$50	19,719
10-Energy	4	\$6,561	41,820
12-Banking	25	\$63	2,274,558

13-Business Assistance	1	\$-0.7	-26,402
14-Aeronautics	189	\$1,560	5,934
15-Commerce, Trade	4		82,697
16-Commercial Practices	4	\$230	3,251,573
17-Commodities, Securities	15	\$2,034	3,196,674
18-Conservation	11	\$94	2,588,442
20-Employees' Benefits	3	\$1	527,826
21-Food and Drugs	13	\$11,980	10,177,366
22-Foreign Relations	4		-270,600
23-Highways	2	\$4	36,968
24-Housing	8	\$-4	2,090,104
26-Internal Revenue	8		22,460
28-Judicial Administration	1		
29-Labor	7	\$466	28,809
30-Mineral Resources	2	\$55	683,600
31-Treasury	2		10,500
33-Navigable Waters	2	\$184	42,984
34-Education	4	\$-147	-3,046,597
36-Parks and Forests	2	\$1,088	925
37-Patents, Copyright	2	\$931	779,960
40-Environment	25	\$38,772	9,461,532
42-Public Health	16	\$-1,204	11,002,918

43-Interior	2	\$166	32,904
45-Public Welfare	13	\$824	4,853,180
47-Telecommunication	13	\$23	902,521
48-Federal Acquisition	3	\$0.4	-45,083
49-Transportation	14	\$33	-520,508
50-Wildlife and Fisheries	2	\$0.8	
Multiple Titles	7	\$1,288	-277,381

The long-awaited "Foreign Supplier Verification Program" for imported food could cost \$473 million annually. The paperwork burden is currently undetermined, and the proposal concedes, "[W]e acknowledge that the final rule resulting from this proposed rule will have a significant economic impact on a substantial number of small entities."

The other half of the regulatory overhaul involves "third-party auditors." It would facilitate food safety audits of foreign food entities. The rule estimates \$56 million in annual burdens and regulators will publish paperwork burdens in a later notice.

EPA issued one of the two largest cost-cutting measures this week. It plans to transition to electronic reporting under the National Pollution Discharge Elimination System. There are some up-front transition costs, but on net, the proposal estimates \$221 million in cost savings over ten years and 190,000 fewer annual burden hours.

The Department of Education is removing more than 3.5 million burden hours under its Perkins Loan program. These reductions are expected to save \$93 million.

Affordable Care Act

There were no notable health care rulemakings this week. Since passage, based on total lifetime costs of the regulations, the Affordable Care Act has imposed an estimated revised cost of \$23.3 billion in private-sector burdens, approximately \$8.6 billion in costs to the states, and 119.3 million annual paperwork hours.

Dodd-Frank

There were no notable Dodd-Frank rulemakings this week. Click here to view the total estimated compliance costs from Dodd-Frank; since passage, the legislation has produced more than 58.5 million paperwork burden hours and imposed \$15.5 billion in direct compliance costs. Based on calculations from the Financial Services Roundtable, Dodd-Frank regulations would require 29,269 employees to file federal paperwork.

A Note on Notices

This week federal agencies published 508 notices. In these notices, agencies typically request new or updated paperwork burdens from the Office of Management and Budget. These notices are generally not final, merely proposals accompanied by a comment period.

Agencies requested 472 million paperwork burden hours, the equivalent of 236,156 employees devoted to red

tape compliance. The associated costs of these burdens: \$127 million or \$0.27 per hour. Some of these requests extend current collections without affecting the overall level of paperwork, while others impose additional burdens.

There were 17 new information collections requested, adding 2.26 million hours to the paperwork burden. In addition, the net change for existing collections was an increase of 42.5 hours; the overall paperwork burden increased by 44.7 million hours this week.

Total Burdens

Since January 1, the federal government has published \$66 billion in compliance costs, and 81.2 million annual paperwork burden hours. At the current pace, regulators will publish \$114 billion in regulations this year. Click here for our comprehensive database of regulations and rulemakings promulgated in 2013.