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The Cost of Regulations:

If the cost of regulatory accumulation (\$4 trillion) were a country, it would have the 4th largest GDP in the world.



THE EXPLODING COST OF REGULATIONS

THE ADVANCING REGULATORY STATE



Figures represent data from 2012
Sources: Bentley Coffey, Patrick A. McLaughlin, and Pietro Peretto, "The Cumulative Cost of Regulations," April 2016; IMF World Economic Outlook (WEO), October 2015

AGENDA

- **THE REGULATORY STATE**

- BIG GOVERNMENT BECOMES BLOATED GOVERNMENT

- **EXPLODING BUREAUCRATIC OVERREACH**

- TEN THOUSAND COMMANDMENTS

- **COST OF REGULATIONS**

- REPORT: CONGRESSIONAL HOUSE BUDGET COMMITTEE
- REPORT: NATIONAL ASSOCIATION OF MANUFACTURERS

- **REGULATORY COMPLIANCE**

- IMPLEMENTATION & ADMINISTRATIVE NIGHTMARES

- **GLOBAL COMPETITIVE DISADVANTAGE**

- **CHEVRON DEFERENCE DOCTRINE**

- NEW APPROACH REQUIRED

- **CONCLUSION**

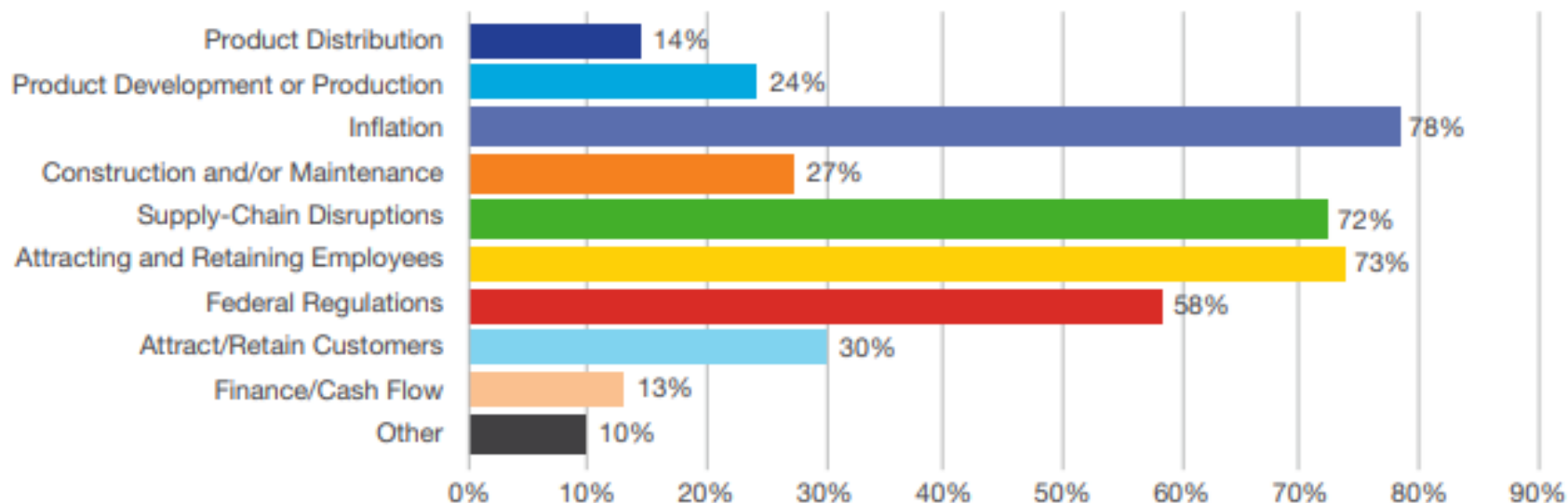
- FINANCIAL REPRESSION BECOMES REGULATORY REPRESSION



EVERYBODY IS SCREAMING BUT IT JUST KEEPS COMING!

- **CONGRESSIONAL HOUSE COMMITTEE** (APRIL '24)
 - Biden's Regulations Costing Nearly \$1.4 Trillion
- **NATIONAL ASSOCIATION OF MANUFACTURERS**
 - U.S. federal government regulations cost an estimated \$3.079 trillion in 2022 (in 2023 dollars), an amount equal to 12% of U.S. GDP.
 - \$12,800 per employee per year in 2022 (in 2023 dollars).
 - Small firms < 50 employees incur regulatory costs of \$14,700 per employee per year – 20% greater than the cost per employee in large firms (\$12,200).
 - Amplified greatly in the manufacturing sector -- \$50,100 versus \$24,800 per employee.
- **NATIONAL BUREAU OF ECONOMIC RESEARCH**
 - An average firm spends 1.34 percent of its total labor costs on performing regulation-related tasks, according to the government's own
- **CATO RESEARCH**
 - Average US firm spends between 1.3 and 3.3 percent of its total wage bill on regulatory compliance.

Chart 2. Survey Respondents: Recent and Future Challenges Affecting Business



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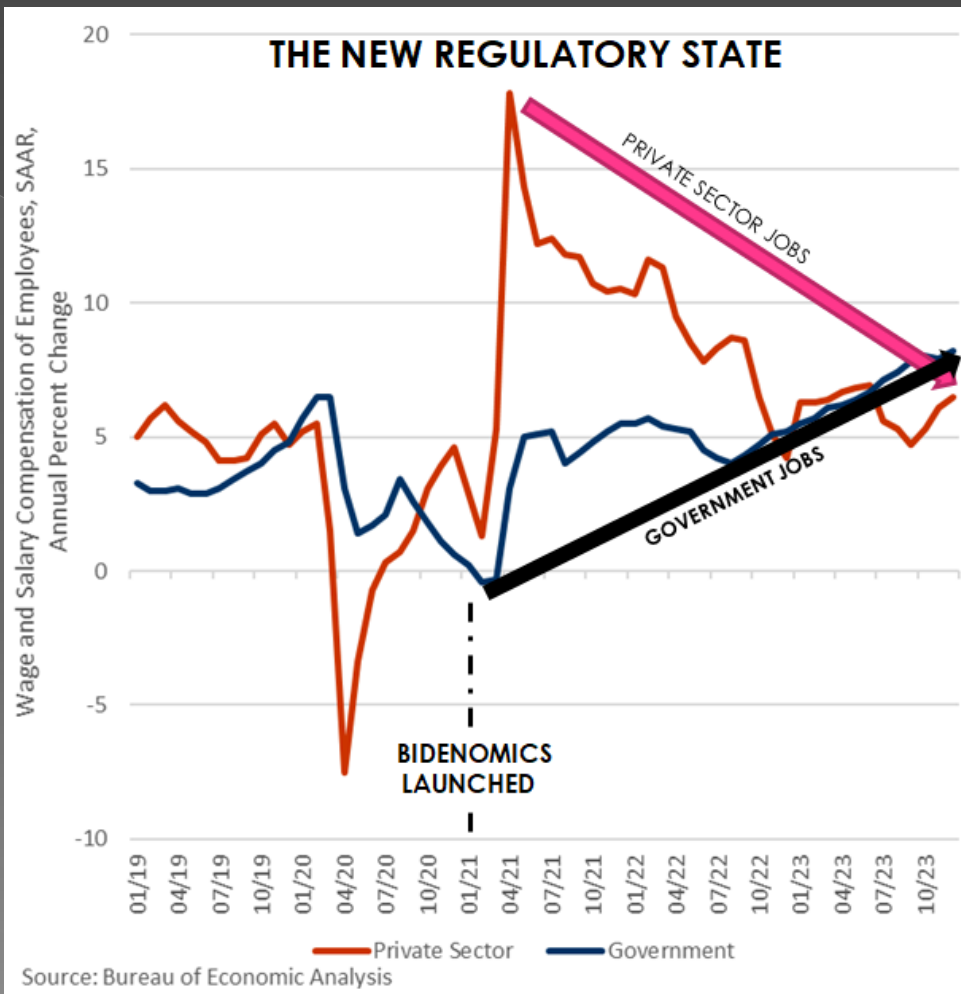
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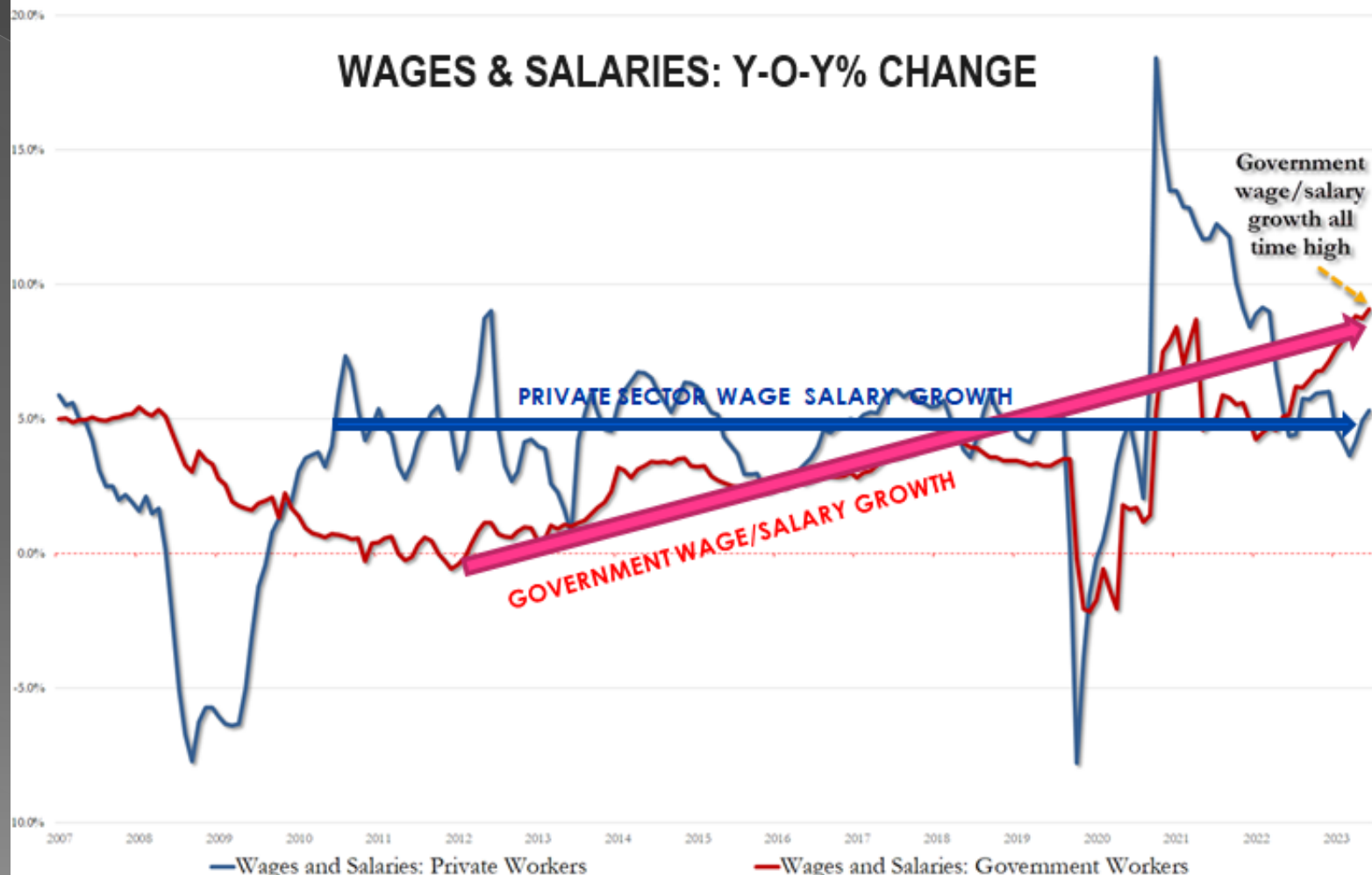


- **EMISSIONS STANDARDS:** These new standards are projected to cost some \$870 billion and will raise prices for families already dealing with the impact of inflation.
- **BENEFICIAL OWNERSHIP REPORTING:** New beneficial ownership reporting requirements for businesses is expected to cost \$84 billion.
- **PFAS DRINKING WATER REGULATIONS** are expected to cost 63.4 billion.
- **TRANSPARENCY:** New staffing and transparency requirements for Medicare and Medicaid (\$43.1 billion).
- **AUTOMOBILE REGULATIONS:** A 2021 study published by Cambridge University found that auto regulations have added around \$6,000 to \$7,000 in costs per vehicle over the long term.
 - Similarly, a Heritage Foundation report from 2016 found that President Obama's fuel economy standards would raise prices for consumers by at least \$3,800 per vehicle.
- **HOUSEHOLD APPLIANCES:** The Biden administration has unveiled a series of new regulations aimed at household appliances.
 - An analysis by the Alliance for Consumers estimated that Biden's new standards for washing machines will increase per-unit prices by \$200 and new gas furnace efficiency standards will cost consumers \$494 on average.
 - Biden's ban on certain refrigerants will increase the cost of refilling air conditioner units by \$1,000 or more.
- **BUREAUCRATIC RED TAPE:**

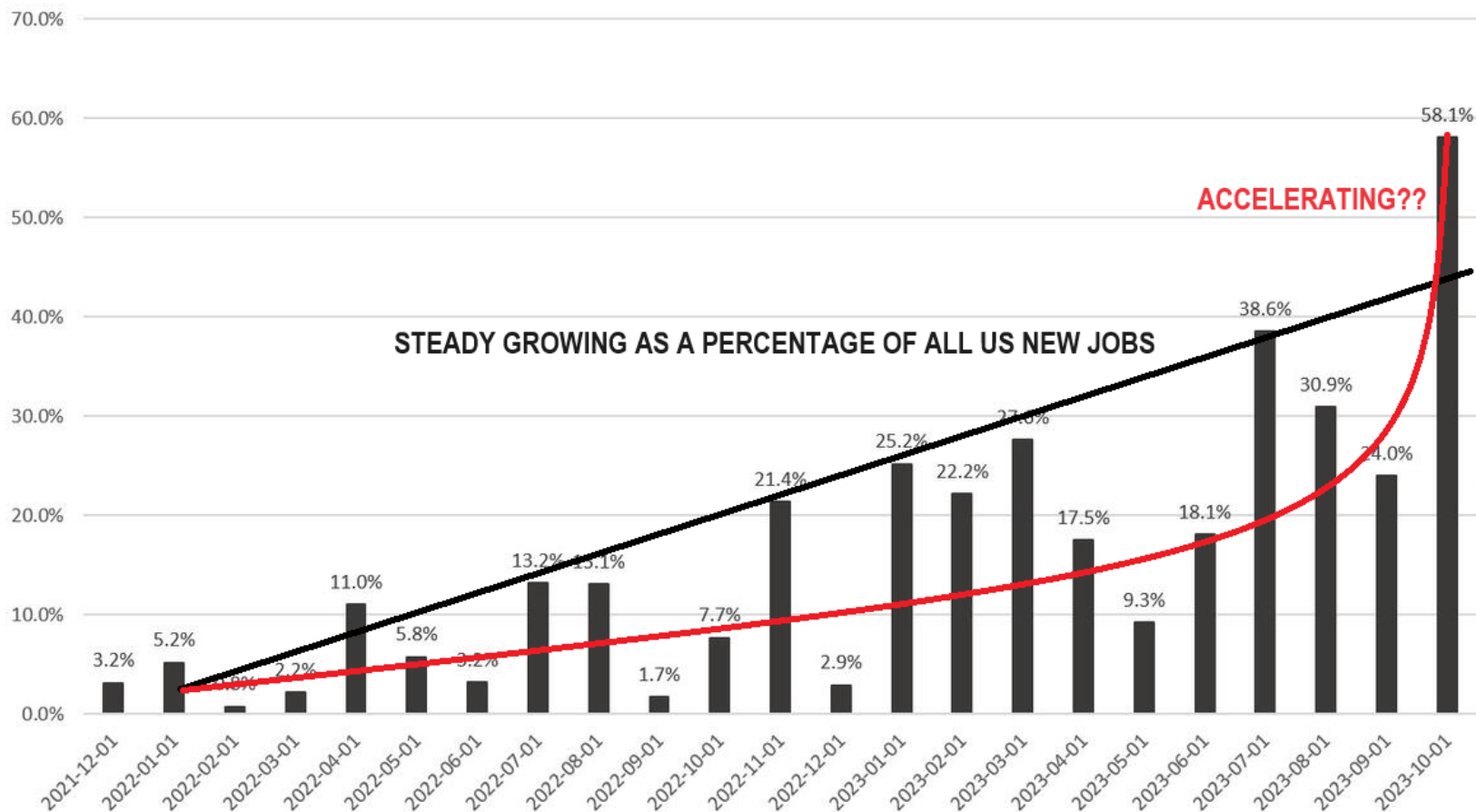


Source: Bureau of Economic Analysis

WAGES & SALARIES: Y-O-Y% CHANGE



Month-to-Month: New Government Payroll Jobs as a Percentage of ALL New Payroll Jobs.





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TEN THOUSAND COMMANDMENTS - *The Annual Snapshot of the Federal Regulatory State*

PRODUCED BY: COMPETITIVE
ENTERPRISE INSTITUTE (CEI) - 2023 143
PAGES [REPORT](#)

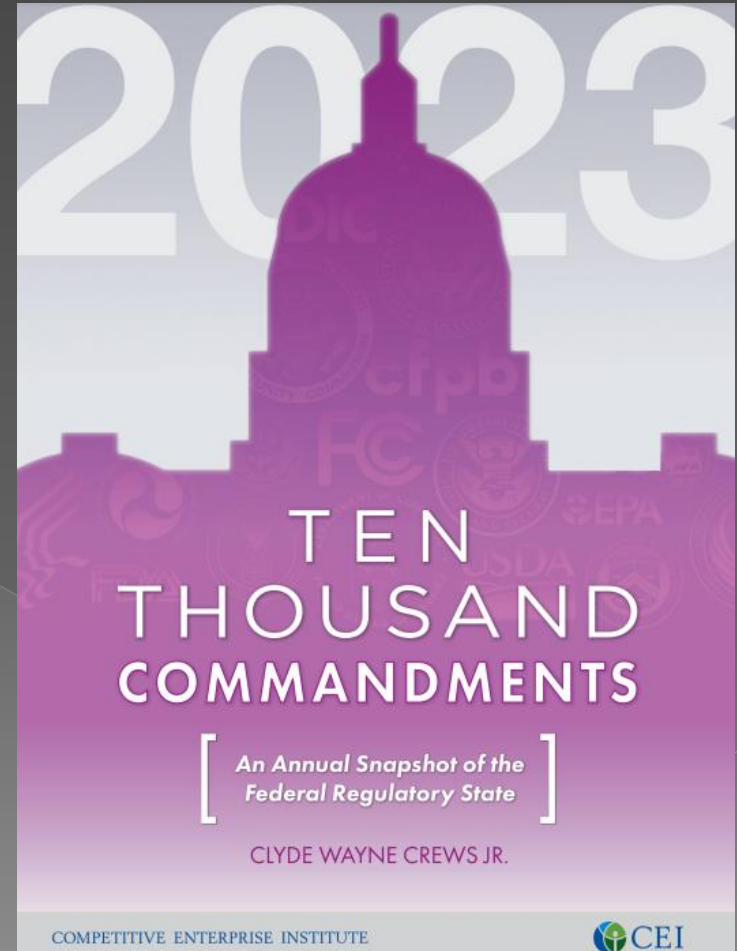
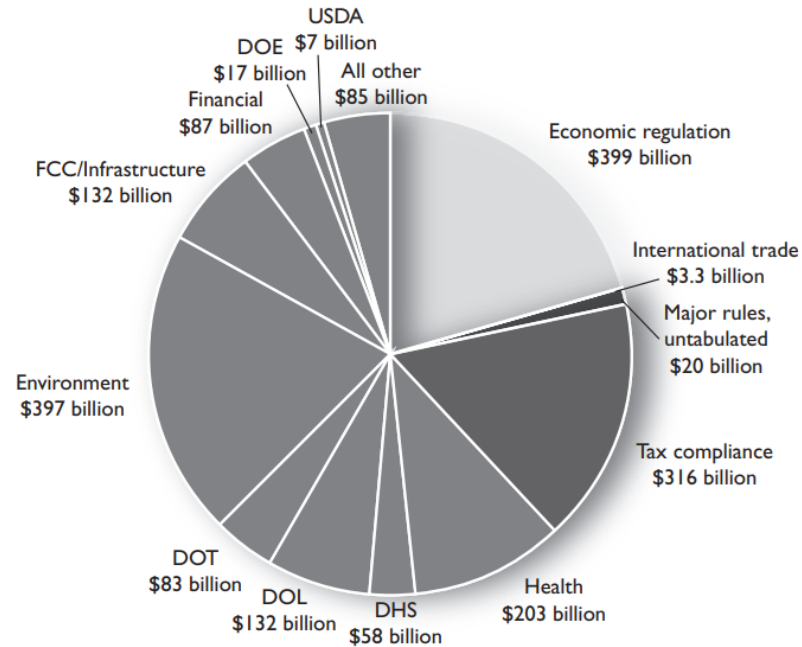


Figure I. Annual Cost of Federal Regulation and Intervention, 2023 Estimate, \$1.939 Trillion



Clyde Wayne Crews Jr., *Tip of the Costberg: On the Invalidity of All Cost of Regulation Estimates and the Need to Compile Them Anyway*, 2017 Edition, available at www.tenthousandcommandments.com, and editions of OMB Reports to Congress on regulatory costs and benefits, <https://www.whitehouse.gov/omb/information-regulatory-affairs/reports>.

DHS = Department of Homeland Security; DOE = Department of Education; DOL = Department of Labor; DOT = Department of Transportation; FCC = Federal Communications Commission; USDA = U.S. Department of Agriculture.

Table I. The Regulatory State: An Overview for 2023

	Year-End 2022	1-Year Change (2021–2022)	5-Year Change (2018–2022)	10-Year Change (2013–2022)
<i>Federal Register</i> pages	80,756	10.1%	20.1%	1.8%
Devoted to final rules*	23,634	–28.7%	26.2%	–4.3%
<i>Federal Register</i> final rules	3,168	–28.5%	–5.9%	–13.4%
Significant final rules	265	–31.0%	32.0%	–20.0%
<i>Federal Register</i> proposed rules	2,044	14.8%	–2.6%	–21.2%
Significant proposed rules	262	–4.0%	9.0%	–16.0%
<i>Federal Register</i> , small business final rules	916	0.1%	21.5%	27.4%
Subset of significant final rules	72	–30.0%	41.0%	–30.0%
Proposed rules	646	–19.7%	13.9%	0.2%
Subset of significant proposed rules	67	–24.0%	–4.0%	–42.0%
“Notices” in <i>Federal Register</i>	22,505	2.4%	2.2%	–7.2%
Code of Federal Regulations pages	188,346	0.9%	1.0%	7.9%

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	Year-End 2022	1-Year Change (2021–2022)	5-Year Change (2018–2022)	10-Year Change (2013–2022)
Total rules in Agenda pipeline	3,690	–2.3%	4.4%	11.6%
Completed	443	–6.7%	–7.7%	–4.1%
Active	2,651	–1.0%	10.5%	10.6%
Long term	596	–4.5%	–9.0%	36.6%
“Economically significant” rules in the year-end pipeline	332	12.5%	90.8%	73.8%
Completed	53	32.5%	112.0%	89.3%
Active	244	19.0%	106.8%	86.3%
Long term	35	–30.0%	12.9%	9.4%
“Economically significant” rules completed in spring and fall 2022	89	–15.2%	154.3%	74.5%
Rules affecting small business	707	2.0%	16.9%	5.7%
Regulatory flexibility analysis required	349	–1.4%	5.8%	–10.7%
Regulatory flexibility analysis not required	358	5.6%	30.2%	28.8%
Rules affecting state governments	550	7.0%	68.2%	49.5%
Rules affecting local governments	387	19.1%	94.5%	75.1%
GAO Congressional Review Act reports on major rules	76	–41.1%	40.7%	16.9%
Executive Orders	29	–68.8%	–17.1%	20.9%
Executive Memoranda	46	53.3%	58.6%	43.8%

Table I. The Regulatory State: An Overview for 2023

	Year-End 2022	1-Year Change (2021–2022)	5-Year Change (2018–2022)	10-Year Change (2013–2022)
Total regulatory costs	\$1.927 trillion	n/a	n/a	n/a
Federal outlays	\$6.272 trillion			
Federal deficit	\$1.375 trillion			
Individual income taxes (estimated)	\$2.3 trillion			
Corporate income taxes (estimated)	\$382 billion			
Corporate pretax profits	\$3.1 trillion			
Gross domestic product	\$25.46 trillion			
Agency enforcement budgets*	\$81.7 billion	0.3%	10.8%	19.8%

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Biden's Regulations Costing Nearly \$1.4 Trillion | House Budget Committee Apr 24, 2024

Chairman Arrington Responds to American Action Forum (AAF) Report: Biden's Regulations Costing Nearly \$1.4 Trillion | The U.S. House Committee on the Budget - House Budget Committee. Apr 24, 2024.



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Chairman Arrington Responds to American Action Forum (AAF) Report: Biden's Regulations Costing Nearly \$1.4 Trillion

WASHINGTON, D.C. – Yesterday, the American Action Forum (AAF) released a [report](#) that shows since taking office, President Biden's agency [rulemakings](#) has cost the federal taxpayer [\\$1.47 trillion and counting](#).

AAF calculates that the combined cost of the Biden Administration's [20 regulatory actions last week will cost \\$87.3 billion](#) and [add 4.7 million annual paperwork burden hours](#). Adding together President Biden's rules for all of 2024, his actions have already cost [\\$926.4 billion just this year](#).

STATEMENT FROM CHAIRMAN ARRINGTON ON AAF FINDINGS

House Budget Committee Chairman Jodey Arrington (R-TX) issued the following statement on the cost of President Biden's regulations:

"President Biden is on track to impose more regulatory cost on our economy than any President in history, adding \$1.4 trillion since coming to office. This is a staggering 45 times the regulatory costs accumulated under President Trump and almost five times the regulatory costs added under President Obama.

Biden's burdensome regulations along with his tax hikes and unbridled spending are fueling the cost of living crisis under which working Americans are suffering. Cutting Washington's wasteful spending and reducing taxes and regulations will spur economic growth and reduce our unsustainable deficits."



TRACKING THE ADMINISTRATIONS

REGULATORY ACTIVITY FROM INAUGURATION DAY TO APRIL 19th (Year 4)

	FINAL RULES	FINAL RULE COSTS	PAPERWORK HOURS
BIDEN <i>2021</i>	851	\$1.37T	267M
TRUMP <i>2017</i>	963	\$30.1B	67.5M
OBAMA <i>2009</i>	1217	\$303.1B	235.6M

LAST UPDATED: APRIL 19th, 2024

AMERICANACTIONFORUM.ORG

**PRESIDENT BIDEN'S AGENCY RULEMAKINGS HAVE COST THE AMERICAN TAXPAYER
\$1.37 TRILLION AND COUNTING.**

2024 FINAL RULES	59
2024 FINAL RULE COSTS	\$926.3 BILLION
FINAL RULES SINCE TAKING OFFICE	851
TOTAL COST TO THE AMERICAN TAXPAYER SINCE BIDEN TOOK OFFICE	\$1.37 TRILLION



•U.S. federal government regulations cost an estimated **\$3.079 trillion in 2022 (in 2023 dollars), an amount equal to 12% of U.S. GDP.**

The Cost of Federal Regulation to the U.S. Economy | National Association of Manufacturers

U.S. federal government regulations cost an estimated **\$3.079 trillion in 2022 (in 2023 dollars), an amount equal to 12% of U.S. GDP.**




The Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business

A Study Conducted for the National Association of Manufacturers

Nicole V. Crain* and W. Mark Crain

October 2023



NATIONAL ASSOCIATION OF
Manufacturers

Table 1. Distribution of Regulatory Compliance Costs by Firm Size in 2022

(In 2023 Dollars and Rounded to the Nearest 100)

Type of Regulation	Cost per Employee for All Business Types			
	All Firms	< 50 Employees	50 – 99 Employees	100 or More Employees
All Federal Regulations	\$12,800	\$14,700	\$13,800	\$12,200
Economic	\$7,700	\$5,600	\$8,300	\$8,500
Environmental	\$2,800	\$6,000	\$2,300	\$1,800
Tax Compliance	\$1,300	\$1,900	\$2,200	\$1,000
OSHHS Regulations	\$900	\$1,200	\$1,000	\$800

Notes to Table 1: Economic regulations are rules that govern decision-making in market transactions. These include markets for final goods and services, markets for physical and human resources, credit markets, and markets for the transport and delivery of products and factors of production. Environmental regulations would primarily be those regarding environmental protections. OSHHS stands for occupational safety and health and homeland security, and the costs expressed here are for the regulations in that space. Due to rounding, individual regulations in each column may not equal the total displayed.

Table 2. Distribution of Regulatory Compliance Costs in the Manufacturing Sector by Firm Size in 2022*

(In 2023 Dollars and Rounded to the Nearest 100)

Type of Regulation	Cost per Employee for Manufacturing			
	All Firms	< 50 Employees	50–99 Employees	100 or More Employees
All Federal Regulations	\$29,100	\$50,100	\$28,000	\$24,800
Economic	\$10,400	\$7,600	\$10,900	\$11,000
Environmental	\$17,200	\$40,700	\$15,200	\$12,500
Tax Compliance	\$500	\$500	\$800	\$400
OSHHS**	\$1,000	\$1,300	\$1,100	\$900

Notes to Table 2: * The cost per employee for each firm-size category uses employment shares for the respective business sectors to compute the weighted averages. ** OSHHS stands for occupational safety and health and homeland security regulations.

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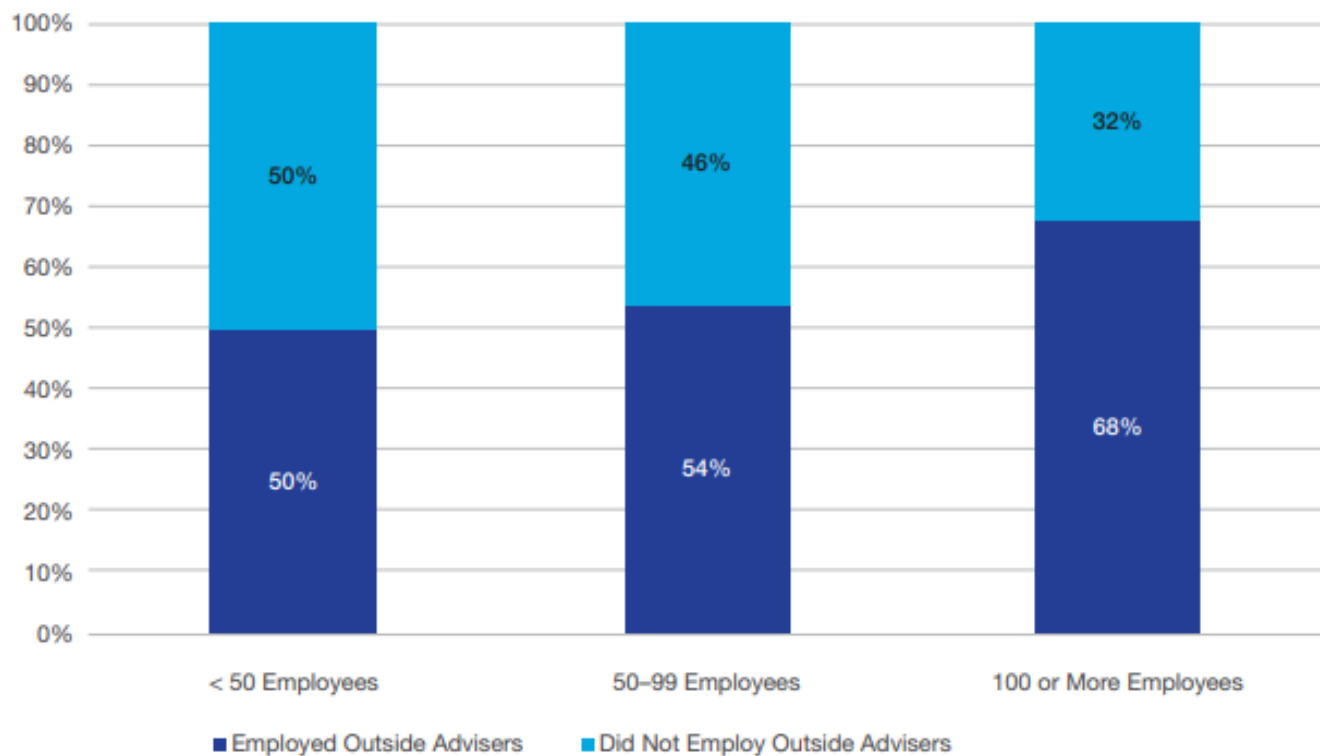
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Chart 3. Survey Respondents: Percentage of Manufacturers That Employed Outside Advisers to Comply with Federal Regulations



COMPLIANCE

[The Real Cost of Compliance: Regulatory Expenses](#) | House Budget Committee

Regulatory expenses are the costs a business incurs to comply with relevant laws and regulations. These can range from the cost of hiring compliance officers, investing in compliance software, and training staff to the financial penalties incurred for non-compliance.

[The Cost of Regulatory Compliance in the United States](#) | CATO Research

Data on occupational tasks and firms' wage spending finds that the average **US firm spends between 1.3 and 3.3 percent of its total wage bill on regulatory compliance.**

93.9 percent of compliance costs in the US financial sector are labor-related and 3.3 percent are equipment-related.

COMPLIANCE

An average firm **spends 3.33 percent of its total labor costs on performing regulation-related tasks per year.** Using our most conservative measure, the average is 1.34 percent. Our research shows that regulatory compliance costs of US businesses have grown by about 1 percent each year from 2002 to 2014 in real terms.

The inclusion of firms' **equipment expenditure related to compliance increases compliance costs by about 20 percent.** The total wage bill devoted to regulatory compliance workers in 2014 was between \$79 billion and \$239 billion, depending on the stringency of the regulatory compliance measure, and up to \$289 billion when equipment is included.

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Regulations can create barriers to entry, which can reduce competition and increase prices for consumers. These barriers can include:

- Startup costs,
- Licensing procedures,
- Regulatory compliance,
- Expensive education, testing, and fees

Regulations can also create other challenges for companies, including:

- **Timeliness:** Regulations can change quickly, and companies may not be aware when new regulations come into effect.
- **Cost:** Companies may incur significant costs when monitoring legislative changes.
- **Data:** It can be burdensome for companies to stay up-to-date with the changes.

WORLD BANK

- Over the last decade, the U.S. has dropped from #4 to #8 on the World Bank's list.
- The highest ranked countries in its survey regulate, but “they do so in less costly and burdensome ways, and they focus their efforts more on protecting property rights than governments in other countries.”
- It observes, “[a thriving private sector](#)—with new firms entering the market, creating jobs and developing innovative products—contributes to a more prosperous society,” “promotes growth and expands opportunities for poor people.
- The 1980 work by, Jorgensen & Wilcoxon simulated the long-term growth of the U.S. economy with and without environmental regulation and conclude that “the cost of environmental regulation is a long run reduction of 2.59 percent in the level of the U.S. gross national product.”

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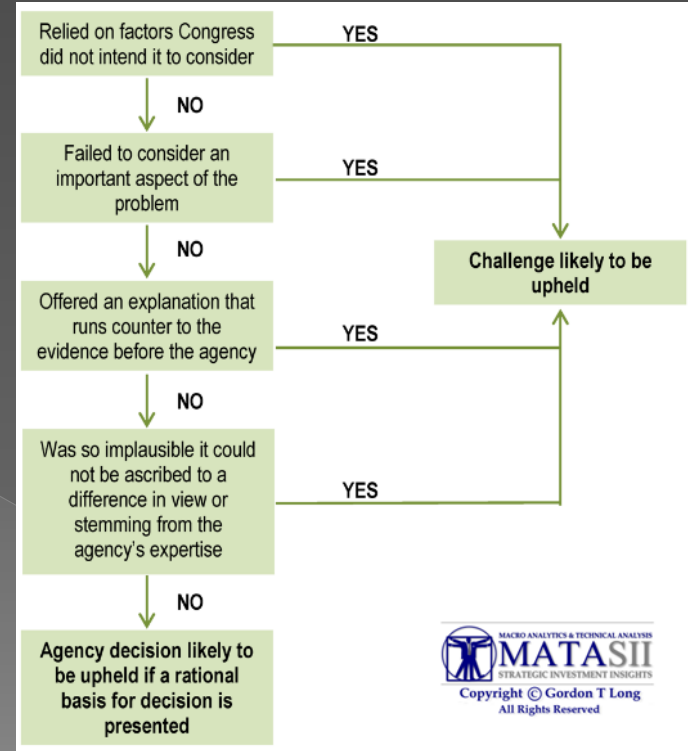
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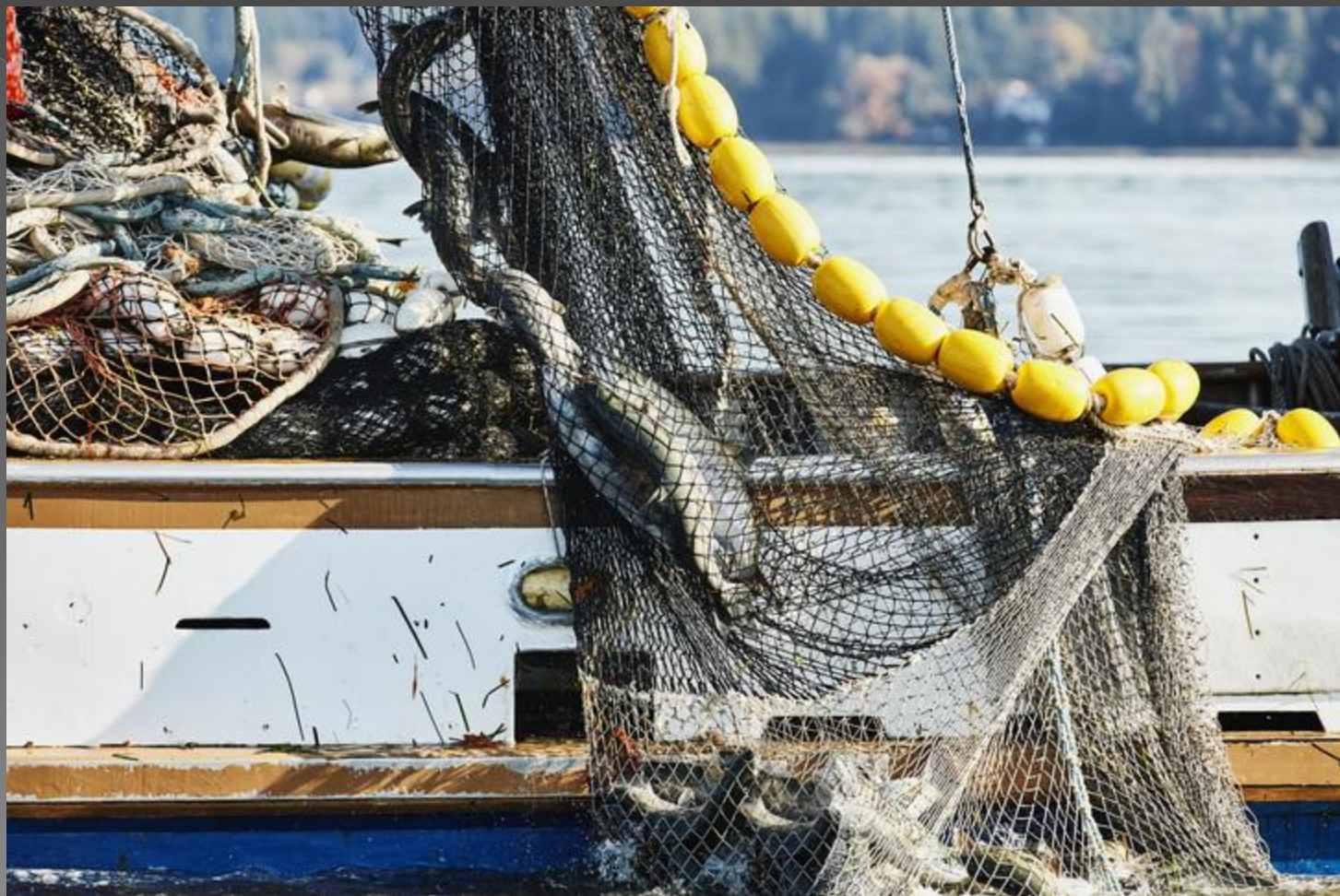
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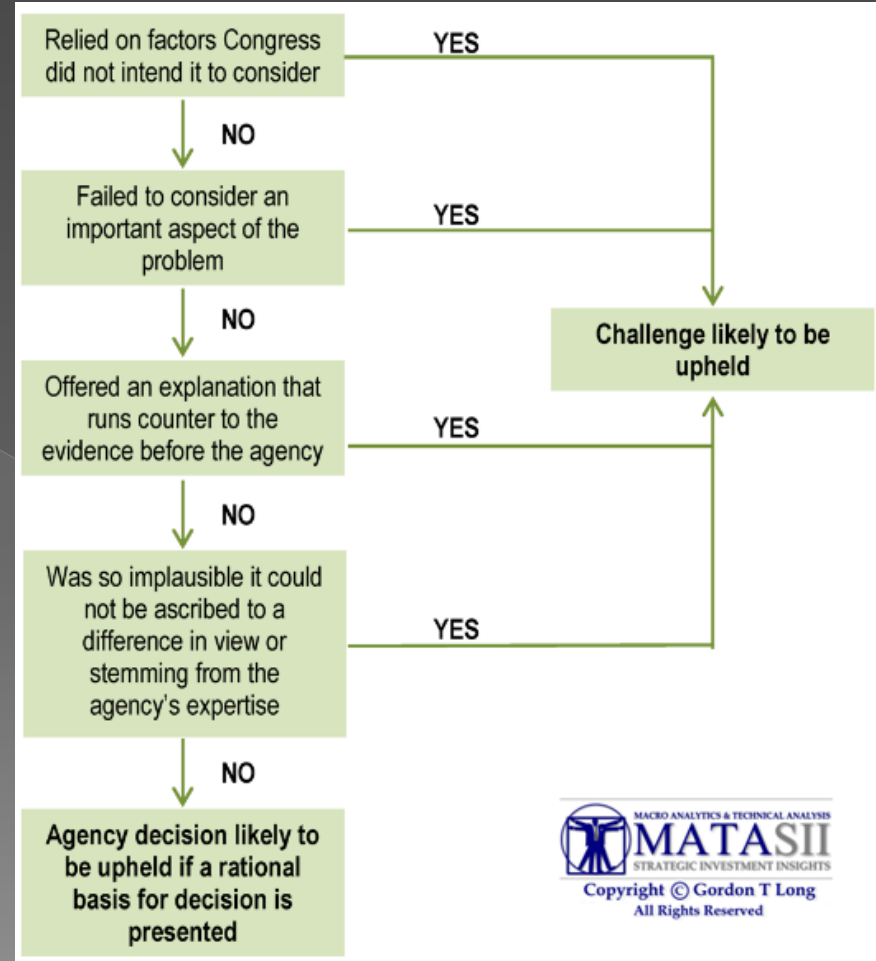
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“It's going to be much, much harder for federal agencies to invoke major, incredibly complex regulations that are clearly outside the original intent and scope of the governing statute.”

“This ruling is long overdue. To allow agencies to pick the pocket of the regulated without congressional authorization is against all the principles of representative government and our constitutional structure.”



REQUIRED APPROACH

- A. Respect market forces and the beneficial effects of competition.
- B. Do more good than harm.
- C. Base decisions on the best available information and transparency.
- D. Gather better feedback.
- E. Encourage experimentation and learning.
- F. Regulatory humility.
- G. Address regulatory accumulation.

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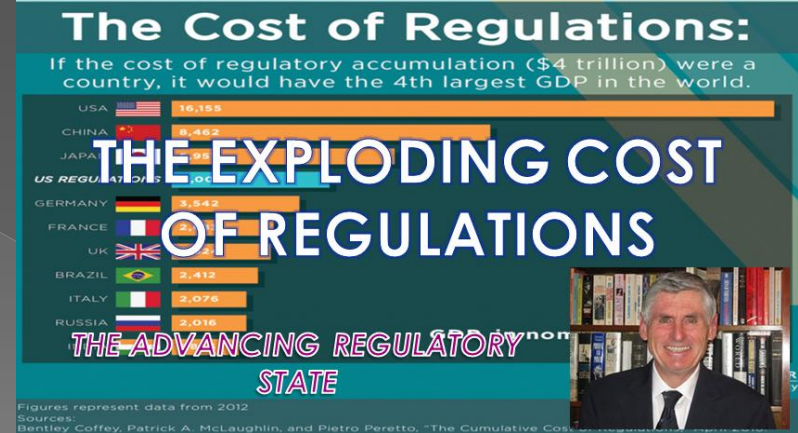
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THESIS 2012: FINANCIAL REPRESSION

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WHAT IS AHEAD?

REDUCE REGULATIONS



REGULATORY REPRESSION

ELECTIONS HAVE CONSEQUENCES!

ADMINISTRATIONS CHANGE – BUT THE PRINTING NEVER DOES

DON'T WORRY, THEY WILL PRINT THE MONEY!

EVERYONE IS NOW IN PLACE & READY!!



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WE WELCOME YOUR COMMENTS!

WE READ ALL COMMENTS FOR
FEEDBACK THAT WILL IMPROVE OUR
RESEARCH ANALYSIS



WORLD CLASS MINDS FOLLOW THIS
CHANNEL & WE VALUE HEARING
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