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Obama Is All Veto, No Action On Regulatory Reform



President Barack Obama, alongside Federal Reserve chair Janet Yellen, speaks with financial regulators at the White House on March 7, 2016 about progress implementing Wall Street reform. (NICHOLAS KAMM/AFP/Getty Images)

President Obama campaigned on a pledge to create a more efficient and transparent government, but he has failed to follow-through on this commitment when it comes to the regulations that his executive agencies promulgate.

As I argued in my House Judiciary Committee [testimony](#) last month, the need for additional Congressional oversight and review of executive regulation is real. Here are three promising proposals that Congress can use to test President Obama's unfulfilled promise of meaningful regulatory reform.

Regulatory Accountability Act

President Obama's regulatory reform efforts through executive orders sound impressive, but they have not been effective. [Executive Order 13579](#), issued in July 2011, states, "Wise regulatory decisions depend on public participation and on careful analysis of the likely consequences of regulation. Such

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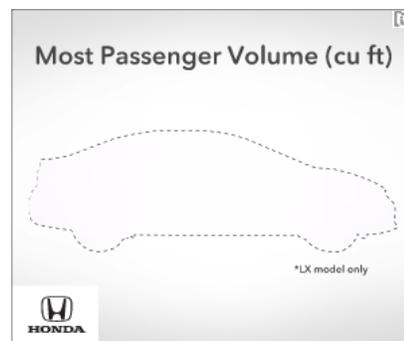
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decisions are informed and improved by allowing interested members of the public to have a meaningful opportunity to participate in rulemaking. To the extent permitted by law, such decisions should be made only after consideration of their costs and benefits (both quantitative and qualitative).”

[The Regulatory Accountability Act](#), introduced by Representative Bob Goodlatte on January 16, 2015 with 21 co-sponsors, would give the public a greater role in the regulatory process and establish stronger reviews of claimed costs. This would require agencies to adopt the least costly available method when implementing laws to produce a public benefit. The Act was passed by the House on January 16, 2015, and a companion bill was introduced by Senator Rob Portman and seven co-sponsors on August 6, 2015.

Agencies would have to regulate in a way that is more open and transparent, since the Regulatory Accountability Act requires Information Quality Act compliance, the option for public comments, and on-the-record hearings for costly regulations. This transparency would ensure that agencies make decisions based on evidence, a goal that President Obama supports.

These requirements are not too much to ask for when it comes to regulations that inflict over \$100 million in annual costs, as determined by the Administrator of the Office of Information and Regulatory Affairs. Agencies should not be free to do what they wish when their pronouncements place additional regulatory burdens on Americans.

Regulations From the Executive In Need of Scrutiny Act

When it comes to economically-significant regulations, the [Regulations From the Executive In Need of Scrutiny](#) (REINS) Act, introduced on January 21, 2015 by Representative Todd Young and 171 co-sponsors, would ensure that Congress agrees with agencies’ determinations that costly regulations are necessary.

This type of legislation would help to alleviate the autopilot nature of federal regulation. Whereas Congress now has to explicitly vote down a regulation by using the Congressional Review Act, under the REINS Act Congress would have to voice approval within 70 days if a major regulation is to take effect. The act does include temporary exemptions for regulations that address a pressing national security or public safety need.

The threshold for the REINS Act’s provisions to take effect is regulations that have over \$100 million in annual economic costs. Because agencies have incentives to overstate the benefits of regulations and understate their costs, it is important to not change the standard to regulations that have a net cost on the economy, after accounting for the benefits claimed by the agencies, of over \$100 million.

The REINS Act passed the House on July, 28 2015, and the Senate version, introduced by Senator Rand Paul on January 21, 2015, has 36 co-sponsors. While major regulations that are deemed necessary by Congress will still be able to be

implemented, REINS-style legislation could help to stop the uninterrupted growth in federal regulation. However, it would do nothing to address today's levels of regulatory accumulation.

Regulations Endanger Democracy Act

[Executive Order 13563](#) "Improving Regulation and Regulatory Review," issued by President Obama in January 2011, states, "Agencies shall consider how best to promote retrospective analysis of rules that may be outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned. Such retrospective analyses, including supporting data, should be released online whenever possible."

The [Regulations Endanger Democracy](#) (RED Tape) Act, introduced by Senator Dan Sullivan on August 5, 2015 with 22 co-sponsors, would help pare back outdated regulations. The RED Tape Act would require agencies to eliminate at least one rule of equal or greater financial and administrative cost before issuing a new regulation or modifying an existing regulation.

There are international precedents for this bill. Canada has a [one-for-one rule](#), meaning each new or amended regulation that increases the administrative burden on businesses must lead to an equal offset in other administrative burdens. Additionally, each new regulation must lead to an older regulation being removed.

Across the Atlantic, the United Kingdom's recent [Cutting Red Tape program](#) has successfully eliminated over 2,400 regulations. [There are 18 other European](#) countries that have joined the UK in calling for the European Union to cut unnecessary and outdated regulations.

Even though all of the current RED Tape Act cosponsors are Senate Republicans, the international regulatory reform efforts received support from across the political spectrum. [Cutting back regulations to promote economic opportunity should not be a partisan fight](#) .

Americans Need Congressional Action, Not Executive Orders

Based on President Obama's rhetoric, it is disappointing that he has [threatened to veto](#) all regulatory reform proposals that have passed the House.

Moving forward with regulatory reform, America's elected representatives need to reassert their rightful authority over executive and independent agencies. If nothing is done, agencies will continue to impose unnecessary roadblocks to achieving the American Dream.

The continued growth in the cost and number of regulations must be slowed, outdated regulations need to be repealed, and the public should have a greater say in agencies' actions. Enacting the strongest parts of the regulatory reforms listed above would accomplish all of these goals. [Americans value transparency, democracy, and accountability. It is long past time to apply these principles to U.S. regulation.](#)

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