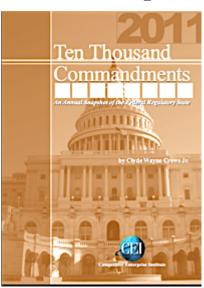
Written by **Raven Clabough** on April 18, 2011



CEI Targets Regulations in Annual Report

The Competitive Enterprise Institute released a report today entitled Ten Thousand Commandments: An Annual Snapshot of the Federal Regulatory State, compiled by Wayne Crews, which reveals that the cost to Americans for complying with federal regulations far surpasses the amount of the federal budget deficit.

The report is published yearly by <u>Crews</u>, who was once a legislative aide in the United States Senate to Senator Phil Gramm, in which capacity he focused on issues pertaining to regulations and welfare reform.



The CEI summarized the report's findings as follows:

- "The Federal Register stands at an all-time record-high 81,405 pages.
- In 2010, federal agencies issued 3,573 final rules.
- While agencies issued 3,573 final rules, Congress passed and the president signed into law a comparatively "few" 217 bills. Considerable lawmaking power is delegated to unelected bureaucrats at agencies, an abuse addressed recently in proposals such as the <u>REINS Act</u>.

• Alarmingly, proposed rules in the *Federal Register* have surged from 2,044 in 2009 to 2,439 in 2010, a jump of 19.3 percent.

- Of the 4,225 rules now in the regulatory pipeline, 224 are "economically significant" meaning they wield at least \$100 million in economic impact—this is an increase of 22 percent over 2009's 184 rules.
- Given 2010's government spending (outlays) of \$3.456 trillion, the regulatory "hidden tax" of \$1.75 trillion stands at an unprecedented 50.7 percent of the level of federal spending itself.
- Regulatory costs exceed all 2008 corporate pretax profits of \$1.463 trillion.
- Regulatory costs dwarf corporate income taxes of \$157 billion.
- Regulatory costs tower over the estimated 2010 individual income taxes of \$936 billion by 87 percent—nearly double the level.
- Regulatory costs of \$1.75 trillion absorb 11.9 percent of the U.S. gross domestic product (GDP), estimated at \$14.649 trillion in 2010.
- Combining regulatory costs with federal FY 2010 outlays of \$3.456 trillion reveals a federal government whose share of the entire economy now reaches 35.5 percent.
- Crews explains of the report, "Trillion-dollar deficits and regulatory costs approaching \$2 trillion annually are both unsettling new developments for America. Every year, the federal government blows past previous deficit, debt, and regulatory burdens with no end in sight. No wonder Americans are fed up with Washington."

New American

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The 58-page report is comprised of four sections, the first of which reviews the costs and the parameters of the regulatory state, including how the size and cost compares to the federal budget. The second part of the report relies on data provided by the *Federal Register* and "The Regulatory Plan and the Unified Agenda of Federal Regulatory and Deregulatory Actions" and analyzes trends in the numbers of regulations issued by agencies. The third section of the report reviews recommendations for reform that focus on ending "regulation without representation." That part of the report "offers steps to improve regulatory cost disclosure and to increase congressional accountability." The last section of the report contains an appendix of historical tables.

While the report makes a number of points, including that regulations are guilty of a number of offbudget costs allowing for federal spending deceit, it concludes overall that true regulatory reform mandates more congressional control over regulations:

"Whatever improvements in disclosure might be made, congressional-rather than agency-approval of both regulations and regulatory costs should be the goal of regulatory reform. When Congress ensures transparency and disclosure and finally assumes responsibility for the growth of the regulatory state, it will have put in place a system far more accountable to voters. "

Appearing on Fox News last year, Crews determined that not only should regulations be permitted to expire, but that "we ought to review the existing regulatory state...and examine a package of rules that we ought to cut each year." Crews asserts that there should be an up-or-down vote on those rules. He added that at the very least, Congress should be voting on the regulations that are particularly costly.

Emphasizing the need for spending and regulatory reform, Crews told Fox News, "You don't want the government picking the winning horses to run around the track. The federal government's job is to make sure that the tax and regulatory track is improved so that everybody can run faster; it's not to pick particular ones."



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