

# Rein in the \$1.75 Trillion Regulatory State

Regulations are frequently anti-competitive and anti-consumer. They cost consumers hundreds of billions of dollars every year. Policy makers still largely do not know the full benefits and costs of their regulatory enterprise. Meanwhile, regulatory agencies grow in power and budget like feudal baronies. This situation must not go unchallenged.

From transportation to trade, from communications to banking and technology policy, policy makers of both parties have at times challenged the moral legitimacy, intellectual underpinnings, and economic rationality of federal regulatory intervention. Democrats helped spearhead transportation deregulation. Lawmakers from both parties rolled back unfunded mandates in the 1990s. The time is now ripe for a new round of reform.

There are many avenues for reform. Cost-benefit analysis, while informative, does not actually bring the largely unaccountable regulatory state under congressional control. Greater congressional accountability and cost disclosure matter most for regulatory reform.

Congress should vote on every major or controversial agency rule before it takes effect.

Regulatory cost transparency, through such tools as improved annual cost and trend reporting, would help voters to better hold Congress responsible for the regulatory state. Reining in excessive delegation of power to federal agency bureaucrats would help close the breach between lawmaking and accountability, while forcing Congress to internalize the need to demonstrate regulatory benefits. Congress should:

- Establish a bipartisan Regulatory Reduction Commission to survey and purge existing rules.
- Develop a review and sunset schedule for new regulations and agencies.
- Explicitly approve major agency regulations with an up-or-down vote.
- Publish an annual Regulatory Report Card to accompany the federal budget.
- Require that agencies report costs (Congress itself must assess relative benefits and compare agency effectiveness).
- Have agencies and the Office of Management and Budget rank rules' effectiveness, and recommend rules for elimination.

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