



Shrinking Government Bureaucracy Ideas for Reform and Reinvention

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Shrinking Government Bureaucracy is the Competitive Enterprise Institute's guide to major executive branch changes that will rein in America's regulatory state, and in turn, save tax dollars, boost economic growth, and lighten the burden on job creators across the nation.

Some of these reforms can be achieved via executive action, while others will require Congress to take back authority from federal departments and agencies. For too long, Congress has allowed federal agencies and regulators to gather too much power, resulting in a bloated, unaccountable bureaucracy that imposes costs and hinders innovation throughout the U.S. economy.

In this series of policy proposals, CEI experts lay out free market solutions to immediately streamline government operations, roll back burdensome regulations, and properly align the structure of federal agencies with their core missions. These recommendations were also submitted to the White House Office of Management and Budget in response to its efforts under President Trump's Executive Order 13781, "[Comprehensive Plan for Reorganizing the Executive Branch](#)."

Regarding this effort, Kent Lassman, president of the Competitive Enterprise Institute, said:

"We need to ponder what the executive branch we deserve looks like and how it aligns with our Constitution and statutory limitations. The concrete suggestions found in *Shrinking Government Bureaucracy* provide a good start toward answering that question."

CEI recommends the following first steps for rethinking and reorganizing the executive branch:

Environmental Protection Agency: The EPA needs to be made more transparent and efficient, a goal that can be achieved while continuing to protect the nation's environment. Congress and the administration should require the EPA to produce a transparent, intelligible budget. Many of the EPA's regional offices and grant programs are redundant and should be abolished. Other reform priorities include improving data quality standards for new research and transferring emergency response duties to the Federal Emergency Management Agency.

Department of Commerce: Private sector companies already fulfill the majority of the Commerce Department's mission, such as conducting market research and seeking trade opportunities. Congress and the administration need to reevaluate the role of the Commerce Department, which could mean moving government activities to better qualified agencies. Priorities include privatizing the National Weather Service, transferring Marine Sanctuaries to state management, and transferring supervision of the Patent and Trademark Office to the Office of Management and Budget.



Federal Deposit Insurance Corporation: FDIC policies unfairly make all taxpayers liable for decisions made by banks and their customers. This gives financial institutions incentive to disregard risky behavior and provides a false sense of security to consumers. Congress and the administration should reevaluate how the mission of the FDIC addresses the needs of 21st century consumers, and lessen the unfair risk to taxpayers. The FDIC's coverage limit should be returned to \$100,000, with the goal of eliminating government deposit insurance entirely.

Consumer Financial Protection Bureau: The CFPB imposes unnecessary regulatory costs and burdens on the financial system, small lenders, and American consumers, particularly the poor and vulnerable. Further, the CFPB's authority is unconstitutional, with little to no oversight from the president or Congress. The White House should work with the House and Senate to make the Bureau's head directly accountable to the president, remove its supervisory role over banks and credit unions, and return authority over policing deceptive business practices to the Federal Trade Commission.

Securities and Exchange Commission: The SEC imposes needless restrictions on investors and entrepreneurs that hinders small businesses' efforts to raise the capital they need. This means there are fewer opportunities for businesses to grow and create jobs and fewer opportunities for everyday Americans to invest and build financial security. Congress and the administration should work together to roll back powers granted by the Sarbanes-Oxley and Dodd-Frank Acts, eliminate barriers to investment-based crowdfunding, and transfer anti-fraud authority to the Federal Trade Commission.

National Labor Relations Board: The NLRB is supposed to represent the public interest in resolving labor disputes, but it has strayed from its mission, becoming highly politicized. Board policy now changes at the whim of the political party that holds the presidency, causing uncertainty over important rules that businesses and workers rely on. Congress and the administration should work together to eliminate the NLRB, transfer its rulemaking authority to the Department of Labor, and move its adjudicatory authority to federal district courts.

Federal Communications Commission: The FCC's regulatory control over media ownership, broadcast rules, the Internet, and the airwaves is stuck in the past. Congress and the administration should work together to liberalize America's media and communications markets to encourage better technology at lower prices. Priorities should include limiting the FCC's authority over broadband network management, moving to property rights-based spectrum allocation, and folding a smaller FCC into the Department of Commerce. Imposing clear limits on the FCC's role—or even abolishing large chunks of the agency's authority—is necessary if the Internet is to remain open and free.

Read the full text of *Shrinking Government Bureaucracy* at cei.org/shrinkinggov.