



WASTE REPORT for December 7, 2015

Racking Up Regulations at Home While Cutting Them Abroad

After years of complaints from across the country about the burdens of over-regulation, our federal government is finally cracking down and taking a “guillotine” to the regulatory colossus—only in Armenia, but not in the United States.

In a glaring display of contradiction, the US Agency for International Development has backed approximately \$400,000 in grants to the Organization for Security and Co-operation in Europe for work to reduce and streamline the regulatory burdens on businesses in Armenia.¹

It should be noted, of course, that eliminating burdensome regulations is generally a good thing. In fact, the “guillotine,” as it is known, applies important criteria to regulations, such as whether a regulation is legal, necessary, and business friendly.² These are obviously criteria our own federal government should apply to regulations here at home. Unfortunately, the American taxpayer will have to wait to see their tax dollars support U.S. regulatory reform at home.

In fact, while the federal government is funding a “regulatory guillotine” in foreign countries, the Obama Administration is adding approximately 81 major regulations annually, just slightly worse than the 62 added annually under President Bush.³

And what is a major regulation? Well, according to law, it costs the economy at least \$100 million in economic activity, creates a major cost increase for consumers, or has an adverse effect on employment and the competitiveness of American businesses.⁴ In total, it is estimated that regulations cost the American economy \$1.88 trillion annually.⁵ Aside from the cost to the economy, the Mercatus Center at George Mason University estimates that the federal government itself spends almost \$50 billion creating and enforcing regulations.⁶

One would justifiably assume that Armenia is suffering under a terrible regulatory climate if it requires intervention from our government. Armenia is trying to address about 25,000 laws and regulations hindering business. Project documents note this number is burdensome and that, “[o]bviously, the creation of open competitive market[s] require simple and transparent rules for doing business.”

How, then, does the U.S. stack up? According to Regdata.org, the U.S. has over 1.04 million regulations,⁷ or over 40 times the number of crushing regulations as Armenia.

**Maybe instead of funding this project,
the U.S. government should be applying for its help.**

¹ USAID Award Number AID-111-IO-12-00001 accessed from ForeignAssistance.gov. November 2015

² Minasyan, Karine; First Deputy Minister of Economy, Republic of Armenia; *Better Regulation in Armenia— Case of the Guillotine Reform*, Penetration made at OSCE Economic and Environmental Forum; Dublin, Ireland; April 2012

³ *Ten Thousand Commandments 2015: Fact Sheet*; Competitive Enterprise Institute; Washington, DC; 2015

⁴ Carey, Maeve; *Counting Regulations: An Overview of Rulemaking, Types of Federal Regulations, and Pages in the Federal Register*; Congressional Research Service, Washington, DC; July 2015.

⁵ *Ten Thousand Commandments 2015: Fact Sheet*; Competitive Enterprise Institute; Washington, DC; 2015

⁶ Ellig, Jerry, & Broughel, James; *While Regulatory Spending and Output Increase, Economic Analysis of Regulations Is Often Incomplete*; Mercatus Center at George Mason University; Arlington, VA; May 2014

⁷ *Why We Need Regulatory Reform in Two Charts*; Regdata.org; Mercatus Center at George Mason University; Arlington, VA; 2013