



Written by [Raven Clabough](#) on May 13, 2015

CEI Report: 3,554 New Regulations in 2014

Further evidence of the federal government's vast overreach can be found in a report out of the Competitive Enterprise Institute (CEI) that reveals that over 3,500 new regulations were issued in 2014, while 224 new laws had been passed. According to the report entitled *Ten Thousand Commandments*, the cost of government regulations is \$1.88 trillion per year, or \$14,976 per every household.



According to the CEI website, *Ten Thousand Commandments* is "the Competitive Enterprise Institute's annual survey of the size, scope and cost of federal regulations, and how they affect American consumers, businesses, and the U.S. economy."

Ten Thousand Commandments was authored by CEI Vice President for Policy Clyde Wayne Crews, Jr. in order to expose the growing "hidden tax" resulting from the increasing regulatory state.

The report puts the cost of the regulations into perspective with a few mind-boggling points:

- The estimated cost of regulation exceeds half the level of the federal spending itself, which was \$3.5 trillion in 2014.
- Regulatory costs of \$1.88 trillion amount to 11 percent of the U.S. GDP, which was estimated at \$17.4 trillion in 2014 by the Commerce Department's Bureau of Economic Analysis.
- When regulatory costs are combined with federal FY 2014 outlays of \$3.5 trillion, the federal government's share of the entire economy now reaches 30.6 percent
- If it were a country, U.S. regulation would be the world's tenth-largest economy, ranking behind Russia and ahead of India

The report does not place blame solely on one political party, noting that while President Obama has relied heavily on regulations, so indeed did President George W. Bush.

However, the report observes that among the six all-time-high *Federal Register* page counts, five have occurred under President Obama. And while President George W. Bush's administration averaged 62 major rules annually during his eight years in office; Obama's six years so far have averaged 81.

Additionally, the study shows that there have been 15,209 executive orders issued since the nation's founding. By the end of 2014, President Obama had been responsible for 215 of them.

By the end of 2014, the *Federal Register* finished at 77,687 pages, the sixth-highest level in its history.

Unfortunately, 200 of the regulations in the pipeline are labeled "economically significant" rules, meaning they have been defined by the federal government as having economic impacts of \$100 million or more. The report reads, "Assuming that those rulemaking effects are primarily regulatory implies roughly \$20 billion yearly in future off-budget regulatory costs."

Likewise, 674 of the regulations affect small businesses.

Federal regulations are a significant factor impacting the rate of job growth, as the true unemployment



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rate continues to remain above 10 percent.

Peter Schiff, economic expert and CEO of Euro Pacific Capital, [testified](#) before the House Subcommittee on Government Reform and Stimulus Oversight on September 13, 2011 to address the negative impact of regulations on job growth. He said, "Regulations have substantially increased the costs and risks associated with job creation. Employers are subjected to all sorts of onerous regulations, taxes, and legal liability."

Referencing his own experiences with regulations in running his company, Schiff went on to provide examples of how regulations have prohibited him from creating more jobs:

In my own business, securities regulations have prohibited me from hiring brokers for more than three years. I was even fined fifteen thousand dollars expressly for hiring too many brokers in 2008. In the process I incurred more than \$500,000 in legal bills to mitigate a more severe regulatory outcome as a result of hiring too many workers. I have also been prohibited from opening up additional offices. I had a major expansion plan that would have resulted in my creating hundreds of additional jobs. Regulations have forced me to put those jobs on hold.

In addition, the added cost of security regulations have forced me to create an offshore brokerage firm to handle foreign accounts that are now too expensive to handle from the United States. Revenue and jobs that would have been created in the U.S. are now being created abroad instead. In addition, I am moving several asset management jobs from Newport Beach, California, to Singapore.

The consequences of the unfriendly atmosphere toward business created by the regulatory burden is that companies such as Schiff's move their capital to foreign countries, which helps create jobs and stimulate tax revenues abroad instead of in the United States.

The CEI report corroborates Schiff's point about the substantial costs of regulatory compliance. In fact, the 2014 regulatory compliance costs exceeded the 2014 estimated U.S. corporate income tax revenues of \$333 billion and nearly matched corporate pretax profits of \$2.235 trillion. They also exceeded the 2014 total individual income tax revenues of \$1.386 trillion.

According to the report, the Departments of the Treasury, Interior, Commerce, Transportation, and Health and Human Services are the five most active rule-producing agencies, as they account for 1,453 rules. The sixth most active rule-producing agency is the Environmental Protection Agency, which adds 186 rules to that figure, raising it to 1,639.

In addition to the troubling costs associated with the astronomical number of regulations, the report warns that government has been able to quietly expand virtually unnoticed.

Likewise, the reliance on regulations has ultimately shifted authority from elected officials to agency officials. The report reads, "Agencies do not answer to voters. Yet in a sense, regulators and the administration, rather than Congress, do the bulk of U.S. lawmaking." While 2014 witnessed the passage of 224 new laws, federal agencies issued 3,554 new regulations. In other words, there were 16 regulations to every one law that was passed.

The report notes that congressional inactivity has resulted in an increase in regulations and opines that Congress has complacently handed its authority over to unelected agency officials. "Congressional rather than agency approval of regulations and regulatory costs should be the goal of reform. When Congress ensures transparency and disclosure and finally assumes responsibility for the growth of the



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regulatory state, the resulting system will be one that is fairer and more accountable to voters,” Crews concludes.



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