United States Regulation: Policy & Practice

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Achieving Policy Goals

- Taxation & subsequent spending
  - Fiscal budget
  - Appropriations

- Legislation & regulation
  - “Off-budget”
  - Benefits and costs less transparent

- OMB’s role
  - Budget
  - Regulation
  - Management
  - Legislation
Response to concerns over “delegation” of legislative authority to Executive branch
Agency can only act within limits set by statutes
Agency must follow specified procedures
Agency actions must be
  ◦ Reasonable (supported by record)
  ◦ Not arbitrary and capricious
  ◦ Not an abuse of discretion
Regulatory Development

**US**
- Legislative Branch issues & President signs legislation
- Executive Branch implements regulation
  - Regulatory analysis
  - Executive oversight
  - Public comment
- Judicial Branch hears appeals

**EU**
- European Commission proposes legislation
  - Impact Analysis
  - Inter-service consultation
  - Stakeholder consultation
- European Council & Parliament amend
  - Additional impact analysis possible
U.S. Regulatory Process

- Authorizing legislation
- Unified Agenda
- Draft proposal
- Executive review
  - SBREFA
  - OIRA
- Public comment
- Revisions
- OIRA review
- Final rule published
- Congressional review (CRA)
- Judicial review (lawsuits)
Understanding Regulatory Impacts

US – Regulatory impact analysis

- Economically significant rules
- Issuing agency has primary responsibility
- OIRA reviews & coordinates
- Net benefits focus
  - Identify need
  - Examine alternatives
  - Understand consequences (benefits & costs)

EU – Impact assessment

- Most important & far reaching rules
- Lead DG has primary responsibility
  - Inter-service Steering Board
- Impact Assessment Board reviews
- Consider 3 types of effects
  - Economic
  - Social
  - Environmental
Will the regulation do more good than harm?

- Need for regulation (market failure)?
- Federal role?
- Alternatives?
- Costs, effectiveness, benefits?
- Quality of supporting information?
- Distributional effects?
Issues & Challenges

- International regulatory coordination
- E-government
- Regulatory analysis
  - Resistance to analysis
  - Intergenerational & global issues
  - Behavioral research