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# WELCOME

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## Dear Friend of Freedom:

When I left the Trump Administration in January 2021, I felt compelled to continue the fight against the ever-growing regulatory state. FreedomWorks Foundation provided the opportunity by offering me the position of Director of the Regulatory Action Center.

Despite the four-year effort to eliminate and streamline regulations, the federal government's vast array of regulatory requirements continues to strangle American citizens and businesses. These requirements, and the unelected and unaccountable bureaucrats who create and enforce them, are a key part of the "deep state" that threatens our freedoms and strangles economic growth.

Conservatives and libertarians must continue to fight against the Deep State—the unofficial Fourth Branch of Government. While regulatory actions do not receive the attention that congressional legislation does, the anti-freedom "devil" lies in the details of those regulations. FreedomWorks Foundation's Regulatory Action Center is the undisputed leader in training citizens to make their voices heard in opposition to bureaucratic takeover of their everyday lives.

To accomplish our mission, we dig through regulatory proposals and alert our millions of grassroots activists to regulatory threats looming on the horizon. We provide our activists an outlet to make their views known during the public comment period—which is the best chance to impact the regulatory process.

And even in this bleak environment, our successes give us hope. FreedomWorks activists drove 5150 comments—about 15 percent of the total number submitted—to successfully stop the Biden Department of Education's attempt to fund the teaching of Critical Race Theory in our nation's schools. On another front, our activists submitted more than 13,000 comments to stop the federal government's attempt to seize drug patents without compensation. We are in the midst of a campaign to be sure the Biden administration understands how widespread the opposition is to "packing" the U.S. Supreme Court—that is, adding extra seats so that President Biden can appoint progressives to eliminate the Court's center-right majority.

As the Biden administration reaches full steam, the number of new regulatory mandates will spew forth even faster. With your support, we will continue to fight the regulatory red tape that stifles individual initiative and job creation.

For freedom,

*Beverly McKittrick*

Director, Regulatory Action Center



## HOW CONGRESS CAN STOP REGULATIONS



### How Did We Get Here?

The first progressive movement swept America in the late 19th and early 20th centuries, bringing with it a new, more activist view of the federal government. Rather than supporting the constitutionally limited framework established by the Founding Fathers, progressives saw government as a tool for “the public good.” This notion required aggressive and questionable expansion of the federal bureaucracy. Now, a second progressive movement is sweeping the nation, threatening to once again balloon government to an incomprehensible size and scope.

### FDR Launches the “Fourth Branch” of Government

In the words of former Chief of Staff to President Obama, Rahm Emmanuel:



“You never want a serious crisis to go to waste.”

The turmoil of the Great Depression granted President Franklin Roosevelt and the progressives the opportunity to radically reshape the federal government to their vision. In order to implement this vision, a vast new regulatory structure emerged, allowing bureaucrats to set top-down rules for the entire country. Under Roosevelt’s direction, a new “alphabet soup” of federal agencies blossomed into a “fourth branch” of government with the power to impose costly regulations on the entire country.

The resulting regulatory state expanded dramatically in the latter half of the 20th century, raising costs for consumers and expanding the government’s reach over all our lives. Common sense and legislative deliberation have been replaced by exacting regulations that dictate very specific forms of compliance.

This bloated regulatory state has become a significant impediment to economic growth. Instead of throwing around money that we don’t have, eliminating unnecessary regulatory burdens and reducing compliance costs

should not be overlooked as important tools for economic stimulus.

Some of the great successes during the COVID-19 pandemic came from easing restrictions that should never have been implemented in the first place on things such as telemedicine and the gig economy.

In addition, the rule of law has steadily been displaced by the regulatory state. The last century has seen a dramatic rise in regulatory overreach, with most rules and regulations now flowing top-down from Washington, D.C.

Common sense and the rule of law are slowly being supplanted by administrative rules dictating everything from what light bulbs consumers can purchase to which banks are too big to fail.

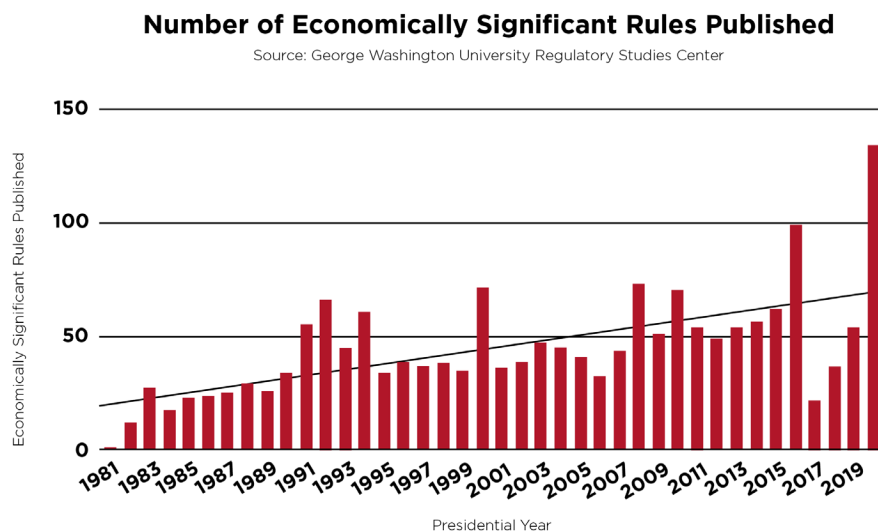
**The Regulatory State expands the government's reach in our lives, inflicts massive burdens on the American economy, and undermines the rule of law.**

## Regulatory Growth Has Accelerated

President Roosevelt and the progressives certainly created the administrative state, but it didn't stop there. Since then, administrations from both political parties have continually grown the size and scope of the bureaucracy. To make matters worse, the pace of this growth has increased in recent decades.

For evidence of this trend, one need only look at the number of "economically significant" final rules published per year and total spending on regulatory agencies. The first gives us an idea of how much we are being regulated. The second offers a view of how much we are paying to be regulated.

As shown below, each successive administration regulated more than its predecessor. In 1981, President Reagan implemented only a single economically significant regulation. In contrast, President Trump implemented 134 economically significant regulations in 2020. Understandably, Presidents also tend to pack as much new regulation into their final year as possible.

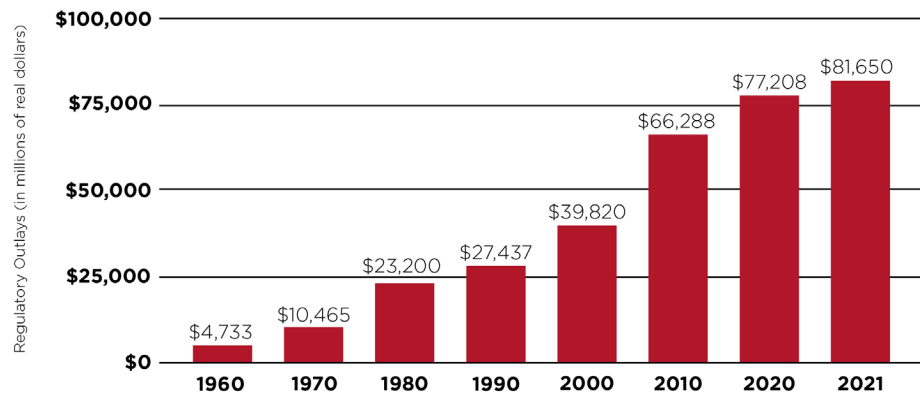


While President Trump's one-in-two-out policy did result in a significant amount of red tape being cut, the reality is that absolute power corrupts absolutely. All Presidents have consistently increased the power of the executive branch — often at the expense of the legislative branch, who are the people's elected and accountable representatives.

More regulation also necessitates more spending on implementation and enforcement. As a result, federal spending on regulatory agencies has ballooned 1,625 percent over the past six decades. Even President Reagan—the “great deregulator”—increased spending on the federal bureaucracy.

### Federal Regulatory Outlays

Source: George Washington University Regulatory Studies Center



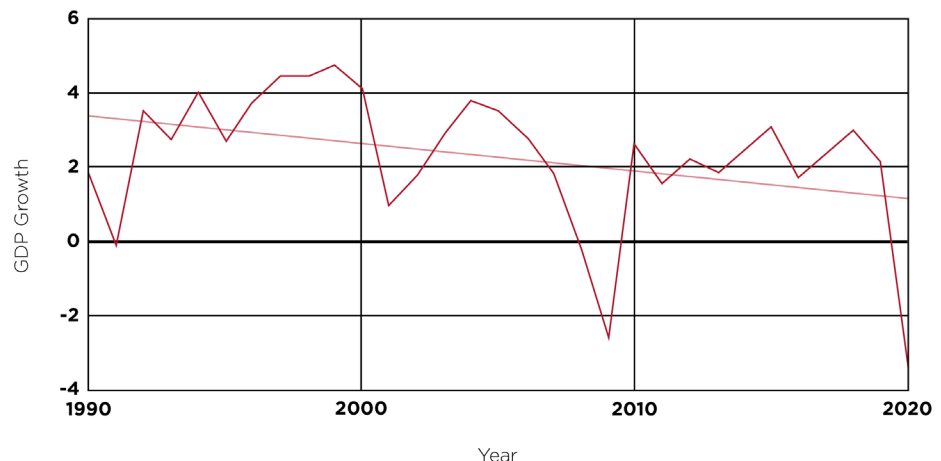
In 1960, we spent only around \$5 billion on regulatory agencies. Just over 60 years later, the federal government allocated \$69 billion for federal agencies in 2021. Many in the private sector would kill for that kind of growth.

### Regulations Are A Prime Culprit in Slowing Growth

Speaking of growth, historical trends show that since the late 20th century economic growth in the United States has been slowing. Since 1987 when GDP growth peaked at 7.2 percent, annual growth has hovered around 3 percent with occasional dips into the negatives during recessions. GDP growth hasn't reached 4 percent since 2000. While there are many causes for our lagging economy, the growth of the administrative state is one of the primary drivers.

### US GDP Growth By Year

Source: OECD





The burden of regulations on the economy represents more than just dollars and cents. Countless businesses and industries are regulated into oblivion long before their value to society expires. Over-regulation snuffs out an incalculable amount of innovation and new businesses, many before they even get off the ground.

Millions of American jobs are needlessly lost and outsourced, while untold numbers of better products and businesses will never have the chance to improve our lives.

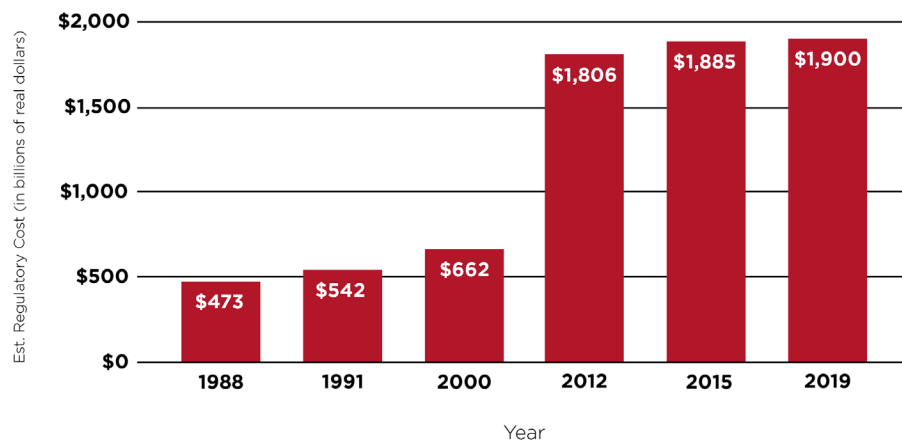
The massive amount of taxpayer dollars being spent on federal regulatory agencies is staggering, but it is merely a small fraction of the total cost of regulations. The increase in regulation also imposes a massive economic burden on individuals and companies in the form of compliance costs.

According to the Competitive Enterprise Institute's (CEI) annual report, the total cost of regulatory compliance in 2020 exceeded \$1.9 trillion. Even more concerning, this number does not include the economic cost of state and local regulations which would likely add hundreds of billions, if not trillions, to the regulatory burden. As CEI notes, the federal regulatory burden "is greater than the corporate and personal income taxes combined." On its own, it would be the 8th largest economy in the world.

This burden on individuals and companies creates a massive drag on our economic competitiveness and growth.

### Total Cost Of Regulations

Source: Competitive Enterprise Institute



## The Regulatory Process and Activist Engagement

Over the last century, the administrative state has ballooned into an immensely complex system. This incredible complexity deters most Americans from even attempting to engage on regulatory policy and regulatory reform.

However, the laws that govern this system explicitly entitle citizens to participate in the regulatory process and have their voices heard by administrative agencies.

There are many areas in which even a single informed activist can potentially shape, save, or stop rules that affect millions of individuals and cost billions of dollars.

FreedomWorks Foundation utilizes cutting-edge technology and our expertise in grassroots engagement to make regulatory activism easy and effective. Our Regulatory Action Center makes it simple for activists to educate themselves and submit regulatory comments, allowing them to focus on sharing their voices rather than navigating through complex government documents. We do the legwork to make it easier for activists to engage on issues that are important to them.

## What Can I Do?

**Comments:** Most new federal rules are subject to a public notice and comment process. Rule-making agencies are further required by law to consider each and every comment submitted and respond to them as part of any final rule. Hundreds of rules are created each year that receive little or no public input. Others that are more politically sensitive often receive hundreds or thousands of public comments.

For decades, many advocacy groups across the political spectrum have treated comment periods like elections, hoping enough form comments from one perspective will pull the agency in their chosen direction. While this does happen, agencies are not required to side with the perspective that receives the most comments. A government guide to submitting effective comments clearly states: “The comment process is not a vote—one well supported comment is often more influential than a thousand form letters.”

To maximize our activists’ influence, the Regulatory Action Center is committed to combining quantity and quality in the public comment process, and to training activists on the what, when, where, and how to submit effective comments. If one well-supported comment can outweigh a thousand form letters, imagine the influence thousands of unique, well-supported comments can have.

**Hearings:** In some limited instances, federal agencies will hold public hearings on proposed rule changes. This is an excellent opportunity for activists to deliver their views and comments in person. This live testimony humanizes the impact of a regulatory change before the regulators, and oftentimes draws local and national media attention to an otherwise ignored issue. The Regulatory Action Center trains activists on how to find these hearings, and how to deliver effective testimony in person.

**Petitioning:** While activists have the most influence on regulations through effective comments and testimony, these windows of opportunity are at the discretion of the agencies. However, the law also explicitly entitles the public to petition agencies at any time to request and initiate a rule change. While such petitions are non-binding, agencies are required to provide details on how to submit petitions and what supporting materials are required. This presents an opportunity to put tremendous pressure on agencies to address any rule on the books at any time. It can also drive a narrative that will garner public and media attention. There is no uniform standard for these petitions across the various federal agencies.



The Regulatory Action Center educates activists on what is required for a specific rule or agency, and also sponsors petitions.

**Trainings:** FreedomWorks Foundation conducts activist trainings around the country through our Regulatory Action Center. These seminars teach activists how to engage in the process, including best practices on comments, testimony, and petitions. Our overarching goal is to make engaging with the federal bureaucracy as simple and commonplace as it is for activists to engage with their members of Congress.

## Previous Regulatory Action



**Court Packing:** Opposing President Biden's Commission on the Supreme Court and their flagrant attempt to pack the Supreme Court. (8,150 comments delivered to the Commission)



**Critical Race Theory:** Opposing the Biden Department of Education's attempt to tie federal civics grants to teaching critical race theory in public schools. This campaign resulted in the withdrawal of this proposed rule. (5,150 comments submitted to the Department of Education)



**Bayh-Dole "March In" Rights:** Opposing President Biden's attempt to use the Bayh-Dole Act to force American pharmaceutical companies to give their patents for the COVID-19 vaccine to the federal government. This campaign resulted in the withdrawal of this proposed rule. (13,203 comments submitted to the National Institute of Standards and Technology)



**Pharmaceutical Price Controls:** Opposing President Trump's attempt to create price controls on American pharmaceuticals by tying their price to the lowest price internationally. (14,343 citizen cosigners joined our letter to the Department of Health and Human Services)



**Net Neutrality:** Supporting the Trump administration's repeal of President Obama's "net neutrality" rules. (28,878 comments delivered to the FCC)

## Pushing Back Against the Biden Agenda

Over the next few years, it is expected that the Biden administration will implement hundreds, if not thousands, of onerous and burdensome regulations on everything from clean energy to healthcare. FreedomWorks Foundation will continue to engage our activist community to fight against new red tape.

President Biden has made crystal clear his intention to use the power of the pen in a way not seen since the New Deal era under Franklin Roosevelt. On his first day in office, Biden issued an Executive Order noting that "agencies must be equipped with the flexibility to use robust regulatory action to address national priorities. This order revokes harmful policies and directives that threaten to frustrate the Federal Government's ability to confront these problems, and empowers agencies to use appropriate regulatory tools to

achieve these goals.” The “harmful policies and directives” were six orders President Trump issued that focused on making the regulatory process more transparent and less burdensome. On his first day, then, Biden showed his bias for enhanced regulation, not lessening the burden on the regulated community—which history has shown enhances economic growth.

In order to prevent the worst ideas from Biden and the progressive left from becoming reality, the Regulatory Action Center is working diligently to engage our activists and push back against the Biden agenda. This commitment takes several forms:

- Monitor and report on the most egregious and expensive new rules being put forward by the Biden administration and organize grassroots opposition to these rules.
- Given President Biden’s clear intent to do away with anything bearing the signature of President Trump, the Regulatory Action Center will stand squarely behind the best of President Trump’s agenda, namely his rules regarding regulatory transparency and guidance.
- The Regulatory Action Center’s work will primarily focus on seven agencies that have produced roughly half of the new regulations over the last few years.

These agencies include:

- Department of the Treasury (and the Internal Revenue Service)
- Department of the Interior
- Department of Commerce
- Department of Health and Human Services
- Department of Transportation
- Environmental Protection Agency
- Federal Communications Commission

The Regulatory Action Center is also committed to remaining vigilant. The growth of new regulations over the past several decades has been a bipartisan problem.

FreedomWorks Foundation and our community of grassroots activists plan to seize this opportunity to fight back against regulatory overreach and executive abuse, while keeping an eye on the horizon for rules and regulations yet to come.

## HOW TO GET INVOLVED?

If you want to take action and help stop the growing regulatory state, please visit our website at:

**FreedomWorks.org** or text “red tape” to **41490** to sign up.

For more information on trainings, events, and other activities, please contact **Beverly McKittrick** at **bmckittrick@freedomworks.org** or call us at **(202) 783-3870**.

If you believe in our mission and would like to financially support these efforts with a tax-deductible contribution, please contact **Parissa Sedghi** at **(202) 942-7645**, or go to **foundation.freedomworks.org** and click the **DONATE button** on the top left.

# Washington, D.C.'s Most Regulation-Happy Bureaucracies



Department Of The Treasury



Department Of The Interior



Department Of Commerce



Department Of Health And Human Services



Department Of Transportation



Environmental Protection Agency



Federal Communications Commission





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