



# A BETTER WAY

## OUR VISION FOR A CONFIDENT AMERICA

### A Better Way to Grow Our Economy

#### Our Principle

A confident America is the best place in the world to live, work, build things, start a business, and raise a family.

#### Our Challenge

Regulations are important. They help protect our health, safety, and well-being, and provide firm rules for us to live by. But taken beyond their initial purpose—and to an extreme—regulations can stifle innovation and infringe on liberty.

The current system is costly and closed to innovation. In 2015, regulations cost us \$1.89 trillion in lost productivity and growth. Put another way, if our regulatory system were a country, it would have the world's 9th largest economy, behind India.

Indeed, red tape is an empire in its own right. There are no limits to the amount of regulatory costs Washington can impose each year. Few old regulations are taken off the books. And where we see new sources of innovation—from energy to the Internet itself—regulators see new chances for control. Even Congress is complicit, having delegated broad authority to unelected bureaucrats. Regulators can regulate first and never have to answer questions later, while you have little recourse or say in the process.

All this adds up to a system that favors established interests—big government, big labor, and big business—over hardworking Americans and consumers.

#### Our Vision

There is a better way to regulate, and this report puts at least 101 solutions on the table. Let's start by recognizing that **our regulatory system should work for us—or even with us—but never against us.** It should be collaborative, not combative—focused on the person and not the program.

We should also recognize that **a strong economy and sensible regulation can go hand-in-hand.** For example, we need to protect the environment, but we can do so in a way that is open, honest, and again, collaborative.

Lastly, **instead of picking winners and losers, government should be promoting competition.** That means an end to cronyism and bailouts, so we can open up our economy to more innovation and investment.

#### Our Ideas

- **Regulate smarter.** We need to take a smart approach that cuts down on needless regulations while making the rules we do need more efficient and effective, particularly for our small businesses that shoulder a disproportionate share of the federal regulatory burden.
- **Deliver affordable and reliable energy.** We need to connect our energy boom to consumers and companies, responsibly produce more of our own resources, and end the needless delays that hold up jobs and projects indefinitely.
- **End bailouts and promote financial independence.** We need to end cronyism, reward people who work hard and do the right thing, and put an end to Wall Street bailouts once and for all.
- **Put students and workers first.** We should make it easier for Americans to excel in schools and workplaces, and rip up the red tape that gets in their way.
- **Preserve Internet innovation.** We need to establish clear and consumer-friendly rules that prevent the FCC from making up regulations as it goes along and make sure Internet users will continue to be the decision makers for the content they want.
- **Crack down on lawsuit abuse.** We need to reform the system so that it no longer tips the scales in favor of trial lawyers and better protects consumers and small businesses.

## **REGULATE SMARTER**

Yes, we have too many regulations, but the real problem is that we have too many bad regulations, and it's awfully hard to get them off the books. One reason is an outdated regulatory process that is now 70 years old. The Administrative Procedure Act is about as agile and innovation-friendly as it sounds. So the economy has changed—and changed again—while the system hasn't. **We need to take a smart approach that cuts down on needless red tape while making the rules we do need more efficient and effective.**

Our plan includes ideas to:

- **Regulate only when needed** by preventing the federal government from regulating in areas where states are already fulfilling that duty successfully. This will end regulators' habit of creating regulations in search of problems.
- **Stop bad regulations in their tracks** by requiring Congress to approve all rules that would cost the economy more than \$100 million a year. The people who are elected to make the laws should make the call on what will become law.
- **Back startups and small businesses** by giving them a real say in the rules that affect their work, and cutting down on roadblocks to capital formation and growth.
- **Consider putting regulators on a budget** by allocating to each agency a limit on the amount of regulatory costs that it can impose for each fiscal year. We have a budget for the way the government spends our money. We ought to consider one for the way it regulates our lives.
- **Publish the cost—and cut the cost—of regulations** by requiring agencies to adopt the least costly method of implementing new rules, provide a full accounting of the costs—including the costs of jobs lost—of new rules, and detail the cumulative impact of new rules instead of looking at each one in isolation.
- **Stop blank checks** by implementing sunset dates for regulatory programs, and empowering federal judges to carefully scrutinize agencies' decisions. Agencies should be held accountable for sticking to the goals laid out in the law.
- **Put the feds on the clock** by establishing a shot-clock approach, meaning failure to act within a reasonable period of time would lead to automatic approval. The way things work now, regulators can hold up jobs and projects indefinitely, with little to no explanation.
- **Open up government data** so that all evidence used in support of regulation is based on sound science and available for proper scrutiny.
- **Subject regulations to spring cleaning** by establishing an independent commission that goes back and looks at past regulations to see what has become outdated, and identifies rules that can be weeded out responsibly.
- **Pare back the paperwork police** by easing penalties for first-time paperwork violations by small businesses. One manufacturer recently testified that omitting one signature on a 20-page form resulted in a \$15,000 penalty from the Treasury Department. This has to stop.

## **DELIVER AFFORDABLE AND RELIABLE ENERGY**

Affordable, reliable energy makes our lives—and our economy—better. It keeps our bills low, keeps jobs here at home, and keeps us secure in a dangerous world. Washington sees it differently: Our regulators act as if energy is primarily a source of pollution, not jobs or prosperity. They try to keep our resources in the ground, needlessly delaying projects for years and letting our energy infrastructure grow old. Most of our gas transmission and gathering pipelines predate 1970.

It doesn't have to be all-or-nothing. There is a better way. We can and should strike a balance between economic growth and environmental stewardship. Efforts to reduce pollution should achieve real benefits for the environment and be compatible with real benefits for our economy.

Our plan includes ideas to:

- **Connect the boom to consumers and companies** by cutting through the clutter of the permitting process and accelerating the development of our infrastructure to secure reliable and affordable energy for years to come.
- **Produce more of our own energy resources** by rewriting the Five-Year Outer Continental Shelf (OCS) and Natural Gas Leasing Plan to foster responsible offshore energy production, and making it so leases can be added to existing plans, meaning a more agile approach in response to market dynamics and national needs.
- **Give states greater control of federal land** by empowering states to petition for more economic activity on lands within their borders, and giving them the opportunity to manage those lands in accordance with our laws.
- **End needless project delays** by allowing agencies to make broader use of data from states and independent sources for environmental impact studies.

## **PROTECT MAIN STREET AND EMPOWER FINANCIAL INDEPENDENCE**

If pressed to pick an example of a federal regulator run amok, consider the Consumer Financial Protection Bureau (CFPB). Yes, it supposedly exists to protect you, but instead it micromanages your everyday life, deciding what kind of car you can buy, what kind of mortgage you can qualify for, and what banks and credit cards you can use. The law that created this new agency—Dodd-Frank—was designed to rein in Wall Street. Instead, we are losing one financial institution a day and the tools of financial independence are moving beyond the reach of too many Americans.

Instead of giving more power to government, **we need to put more faith in free enterprise and reward people who work hard and do the right thing.**

Our plan includes ideas to:

- **Help more Americans achieve financial independence** by fundamentally reforming the CFPB, providing regulatory relief for small banks and credit unions, helping qualified homeowners get into a home they can afford to keep, and improving consumer access to new and innovative financial products.
- **Hold Wall Street accountable** by protecting taxpayers from paying for more Wall Street bailouts, forcing failing banks to go through bankruptcy like any other company, and strengthening civil penalties for individual wrongdoing.
- **Reward financial stability** by offering highly capitalized, well-managed institutions the option of additional relief from Dodd-Frank's excessive regulations.
- **Demand accountability from Washington** by strengthening transparency and oversight of the Fed and financial regulators, and requiring all agencies to use a cost-benefit analysis.

### **PUT STUDENTS AND WORKERS FIRST**

Federal policies should support equal opportunity for all Americans to succeed in the classroom and the workforce. Instead, regulators have imposed sweeping changes on schools and workplaces—usually without public input or congressional support. Red tape should never get in the way of innovation, especially in the places we go every day to make the most of our lives.

Our plan includes ideas to:

- **Help more Americans go to college** by ripping up rules that needlessly raise costs and threaten academic freedom, and instead focusing on controlling compliance costs and encouraging innovation.
- **Help more Americans retire with dignity** by making it easier for workers to receive financial advice and information about their benefits, and allowing small businesses to band together to offer 401(k)s to their employees.
- **Stop union favoritism** by reining in the National Labor Relations Board, guaranteeing fair union elections, and ensuring bargaining units promote the best interests of all workers in the workplace.

### **PRESERVE INTERNET INNOVATION**

The Internet has thrived without government meddling, but the Federal Communications Commission (FCC) is still dead set on overregulating it anyway. While there is certainly a place for bright-line rules that protect consumers, what the government proposes would stifle innovation and mean fewer choices.

Our plan includes ideas to:

- **Provide clear rules of the road** that strike a balance between innovation and consumer protection, so that Internet users will continue to be the decision makers for the content they want.
- **Shift the burden of proof to the FCC** to justify continued regulation rather than requiring the public to show it is no longer needed.

### **STOP LAWSUIT ABUSE**

America's civil justice system is considered the costliest in the world. And it's not even close, really. One study found that liability costs in the U.S. are more than 2.5 times that of Eurozone countries. Unsurprisingly, these costs fall disproportionately on small businesses, which account for 81 percent of liability costs while taking in only 22 percent of business revenue. **We will reform the system so that it no longer tips the scales for trial lawyers and better protects consumers and small businesses.**

Our plan includes ideas to:

- **Stop baseless lawsuits** by passing a one-page bill that makes it mandatory for the victims of frivolous suits to be compensated for the harm done to them.
- **Prevent trial lawyers from gaming the system** by passing a one-page bill requiring that only those people who share injuries of the same type and extent are part of a class-action lawsuit.
- **Crack down on "sue and settle" practices** whereby regulators collaborate with activists to settle lawsuits in a way that results in imposing more rules outside the regular rulemaking process.