Obama Readies A Wave of Rules

Published April 08, 2016 | Politics | Dow Jones Newswires

The Obama administration is racing to make final a flurry of regulations affecting broad swaths of the economy, further riling U.S. businesses in an election season that has already been tough on corporate interests.

Planned moves -- across labor, health, finance and the environment -- range from overtime pay for white-collar workers to more obscure matters such as requiring food makers to disclose added sugar on cartons of flavored milk.

The expected burst of regulation follows an intense few weeks in which the administration has targeted corporate tax inversions, imposed new rules on brokers and advanced restrictions on company relations with union organizers.

The moves have drawn sharp reactions from business groups. After the tax rules, a top U.S. Chamber of Commerce official lamented "politicians bullying America's job creators." The head of the Business Roundtable, which represents big-company CEOs, criticized "unilateral action" by the administration.

The rush reflects President Barack Obama's aim to use his final months in office to cement a progressive domestic-policy legacy using executive powers despite fierce opposition from a Republican-controlled Congress.

Business uncertainty from Washington may not change anytime soon. Presidential front-runners in both parties have shown greater hostility toward business in some ways, with Democrats promising stiffer regulation and Republicans calling for new tariffs or an end to subsidies.

In his first seven years, Mr. Obama issued 392 regulations deemed "major, " meaning each carries an expected economic effect exceeding $100 million annually. Forty-seven more sat on the drawing board for this year. The tally issued already tops the totals during the eight-year tenures of George W. Bush, at 358, and Bill Clinton, at 361, according to an analysis by George Washington University's Regulatory Studies Center.

Raw tallies can be imprecise because they obscure particularly consequential regulations. The Environmental Protection Agency's clean power plant rules issued last year, for example, would require a 32% cut in power plant carbon dioxide emissions by 2030 from 2005 levels. Such a bid to address climate change aims to reshape how energy is produced in America. In February, the Supreme Court granted a temporary order blocking the regulation until courts resolve legal challenges.

Although Mr. Obama has until his term ends in January to make regulations final, a deadline looms this spring. Congress can vote to stop any regulation within 60 legislative days of its completion. The president can veto such resolutions.

If Republicans win the White House and maintain control of Congress, any rule issued by Mr. Obama within 60 legislative days of the end of his term could be overturned. That is because a Democratic president wouldn't be there to veto a congressional vote to block the regulation.

To issue regulations and still leave 60 legislative days before Mr. Obama's term ends, he has to issue them by mid-May.

Executive orders aren't subject to such a review, though Congress could pass laws to constrain or undo them. On Tuesday, Mr. Obama said the Treasury's latest action to deter corporate inversions stemmed from the failure of Congress to overhaul international tax laws. "My hope is that they start getting serious about it," he said.

Democratic front-runner Hillary Clinton promises to defend Mr. Obama's executive actions and go even further on inversions. "This is not only about fairness. This is about patriotism," she said in December when she promised to stop inversions along the same lines as this week's actions.

GOP candidates pledge to use the same powers to undo Mr. Obama's agenda, blaming regulations in part for an economic expansion that has been slow to lift incomes. At the same time, Republican front-runner Donald Trump has repeatedly castigated Washington for failing to stem the tide of corporate inversions and other candidates pledge to roll back corporate welfare.

Some regulatory expansion stems from legislation. The health-care and financial regulatory laws passed in 2010 instructed regulators to fill in specifics later. The Affordable Care Act is responsible for around one in four major regulations issued in the Obama administration, according to the George Washington University tally.

That count doesn't include many others, such as those created by the Dodd-Frank Act, because they are enforced mainly by agencies outside the executive branch, like the Consumer Financial Protection Bureau.

For workers, the administration has proposed doubling the salary threshold that generally determines which workers are eligible for overtime pay -- raising it from its current level of $23,660, last updated in 2004, to $50,440. Hourly workers who earn salaries below the threshold would become eligible for overtime pay if they work more than 40 hours a week.

Ed Brady, who runs a small home-building company in Bloomington, Ill., said he understands the need to raise the threshold but said the proposal would raise it too much at once.

The increase would require him to put his salaried white-collar employees on an hourly schedule. For his construction superintendent, who earns $36,000 a year before production-related bonuses, "I'm not sure he would be happy with that, or that I'd be able to keep him," he said.

The Food and Drug Administration is preparing rules to update nutrition labeling on packaged foods and beverages to disclose added sugar. The labels would set the recommended intake of added sugar at no more than 10% of calorie intake.

All the rules face questions of how they will fare after Mr. Obama leaves. A court challenge offers opponents the best shot at directly stopping them, say analysts, but that takes time. Congress could curtail some through spending bills.

Despite GOP candidates' frequent promises to repeal regulations, advisers to presidents say doing so may take time due to public comment and review.

"President Cruz or President Trump cannot walk into the Oval Office and say, 'I'm getting rid of this regulation, that regulation,' and expect that it will be done tomorrow, next week or even next month," said Sally Katzen, regulatory chief during President Clinton's second term.

Presidents also discover they don't want to burn political capital repealing consumer or environmental protections. After Mr. Bush took office, his team reviewed regulations Mr. Clinton had enacted just before leaving. "We didn't agree with a lot of them," said John Graham, regulatory czar for Mr. Bush. But "refighting all those battles" wasn't worth it.

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