

## **The Washington Post**

### [White House readies push to slash regulations as major part of its coronavirus economic recovery plan](#)

By Jeff Stein and Robert Costa

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Senior White House and Trump administration officials are planning to launch a sweeping effort in the coming days to repeal or suspend federal regulations affecting businesses, with the expected executive action seen by advisers as a way to boost an economy facing its worst shock in generations, two people familiar with the internal planning said.

The White House-driven initiative is expected to center on suspending federal regulations for small businesses and expanding an existing administration program that requires agencies to revoke two regulations for every new one they issue, the two people said.

While the plan remains in flux, changes could affect environmental policy, labor policy, workplace safety and health care, among other areas.

The White House is also likely to seek to make permanent some temporary regulations issued by agencies over the past few weeks to respond to the coronavirus pandemic.

These policies are likely to alarm Democrats on Capitol Hill and other experts who have long railed against the president's team and its attempts to shrink federal regulations on environmental and labor issues, among other things.

The White House National Economic Council and its director, Larry Kudlow, are working closely on the plan with Treasury Secretary Steven Mnuchin and other officials at the Treasury Department. The Council of Economic Advisers and incoming White House chief of staff Mark Meadows are also involved, as is White House counsel Pat Cipollone and Office of Management and Budget acting director Russell Vought. The people, who spoke on the condition of anonymity to frankly discuss a matter that had not been publicly announced, stressed that planning was ongoing and details were subject to change.

The timing for the launch of the regulatory rollback is unclear, but some White House officials want the effort to begin by the end of April or in early May as part of President Trump's push to "reopen" the economy. White House officials have been exploring a range of measures aimed at generating economic growth after shutdowns meant to contain the novel coronavirus caused more than 22 million Americans to lose their jobs in a span of four weeks. Public health experts have warned against prematurely reopening the economy and argued that it could lead to new outbreaks and cause thousands of additional deaths.

Trump has discussed pushing a payroll tax cut, an infrastructure package and more aid for states and cities in the next negotiations with Congress, but it's unclear how those talks will play out on Capitol Hill. By contrast, the regulatory rollback being drafted by White House officials is designed to be accomplished without congressional approval.

Still, the Trump initiative will probably be fiercely criticized by congressional Democrats and other economic experts, who say the administration's attempts to repeal business regulations reflect long-standing conservative priorities rather than a measure that will help Americans survive the current public health and economic emergency. Trump has for years celebrated a massive deregulatory push

under his administration as an economic boost, but opponents say the efforts have created more environmental and labor hazards for workers and consumers.

“This sounds exactly like the type of opportunistic political move that absolutely should not be attempted right now,” said Jared Bernstein, a former adviser to presumptive Democratic presidential nominee Joe Biden. “Correlations between regulations and economic activity are far shakier than they assume, and I don’t believe this idea will help at all.”

The White House rollback push comes as numerous influential conservative groups present the administration with recommendations for reviving the economy. On Monday, the Heritage Foundation’s National Coronavirus Recovery Commission released a 15-page report with numerous steps for the administration to take, including a repeal of business regulations at the state and federal level. One recommendation, which a White House official confirmed is under consideration, is having the president call on all federal agencies to not enforce regulations against small businesses.

The Heritage report also calls for making permanent temporary rules issued by the Food and Drug Administration, Department of Health and Human Services and Environmental Protection Agency in response to the coronavirus. A similar measure is also under consideration by the White House. The administration eased some rules for telehealth, a “long overdue” measure that should be made permanent, said Doug Holtz-Eakin, who has served as director of the Congressional Budget Office and an adviser to numerous Republican politicians.

“A presidential call for a wide-scale policy of nonenforcement would send a very strong signal to businesses that the government is not going to come down hard on them as they try to get back up and running,” the Heritage plan states.

Trump repeatedly touts his administration’s record of repealing business regulations and has characterized doing so as one of his central economic accomplishments. “We’ve cut regulations more than any administration in history, and that’s in two and a half years,” Trump said at a White House event in the fall.

But many of the administration’s regulatory repeals have elicited pushback from environmental and labor groups. Last week, the administration decided not to enforce stricter air quality standards despite the potential link between air pollution and coronavirus risks.

“All attention should be focused on improving the regulatory state to protect the public,” said Lisa Gilbert, vice president of legislative affairs at Public Citizen, a left-leaning watchdog group. “We should be focused on the crisis at hand, not loosening standards.”

White House officials will aim to link the regulatory rollback with tax relief to spur investment throughout the economy. The Cares Act, a \$2 trillion rescue package passed in March, included a temporary holiday on payroll taxes paid by employers, but Trump wants that extended to workers, according to one person familiar with the president’s thinking. The policy may prove one of the “big asks” in the next round of negotiations with congressional Democrats. Trump on private conference calls with conservative advisers has discussed his desire to slash payroll taxes but asked, “Can you get support from Nancy?” — a reference to House Speaker Nancy Pelosi (D-Calif.) — said two people on the call.

The White House has for weeks also explored support for a liability waiver that would clear businesses of legal responsibility from employees who contract the coronavirus on the job, people aware of the effort said. In recent days, the White House has considered whether the liability waiver should apply to employees, too, for instance to include a waiter who fears being sued by a customer. This idea would require congressional approval, and its fate among Democrats is unclear.