

LEGAL UPDATE

President Trump Issues 10-To-1 Deregulation Executive Order*Marcia S. Wagner, Esq. and Ari Sonneberg, Esq.*

On January 31, 2025, President Trump signed an executive order (the “Order”) designed to drastically reduce the overall amount of federal government regulation on the books. The stated underlying goal of the order is to eliminate the “job killing and inflation-driving regulatory blitz of the Biden Administration” and “unleash prosperity through deregulation.”

The Order directs that any agency endeavoring to promulgate a new rule, regulation or guidance must simultaneously identify at least 10 existing rules, regulations, or guidance documents to be repealed. The Order further requires that the total incremental cost of all new regulations for fiscal year 2025, taking into account any repealed regulations, be significantly lower than zero, and charges the Director of the Office of Management and Budget with the task of ensuring standardized measurement and estimation of regulatory cost.

The impetus for this action, according to the Order, is the Biden Administration’s imposition of \$1.7 trillion in costs on the American people through regulation. The Order charges that overregulation results in the hindrance of entrepreneurship, the crushing of small businesses, a reduction in consumer choice, the discouraging of innovation and infringement on liberties, as well as contributing to the high cost of living by, for example, driving up energy prices.

The Order points to the similar initiative under President Trump’s first Administration, which asked government

agencies to eliminate two regulations for every one new regulation they issued – a goal that the Order indicates was not only achieved but exceeded, resulting in the elimination of five and a half regulations for every new regulation issued under that administration.

One can only speculate on the actual effects this executive order will have on the regulatory landscape during Trump’s presidency. To put things in some perspective, in 2024 alone the Department of Labor issued or proposed three significant new ERISA-related regulations (a regulation on environmental, social, and governance (ESG) investing, a regulation requiring lifetime income illustrations in participant disclosures, and a proposed regulation on fiduciary advice). The cost to the Department of Labor for just three new regulations under the Trump Administration will be the elimination of 30 existing regulations.

While under the similar initiative during Trump 1.0 agencies could more easily turn to outdated or unused regulations for the trade-in, the 10:1 ratio mandated by this new Order will undoubtedly make such easy swaps an uphill battle.

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