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New Trump Executive Order Creates Regulatory Reform Process for All Agencies

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On February 24, President Trump issued an "Executive Order on Enforcing the Regulatory Reform Agenda" ("EO") that requires every executive department and agency to establish within 60 days a Regulatory Reform Officer ("RRO") to implement the president's regulatory reform agenda for reviewing and reducing regulatory burdens. The new RRO will chair an agency task force to review all regulations and recommend repeal, replacement or modifications of any regulations that eliminate jobs, inhibit job creation, are outdated, unnecessary, ineffective, or that impose costs exceeding benefits. The RRO must consult with, and report to, the agency head within 90 days identifying regulations for repeal or replacement and report frequently to the agency head. The EO contains further provisions to keep this process foremost and on an expedited timetable. The Department of Commerce has already issued a notice for submitting comments by March 31.

Every business entity in America is affected by federal regulations. The new EO requires each agency to seek input from entities "significantly affected by Federal regulations." This mandate gives all business interests an opportunity to provide input to agencies about the burdens, costs, ineffectiveness or job-killing effects of any regulation. The first steps for a business will be to monitor the creation of each task force at the various regulatory agencies relevant to its business, and to be on the lookout for an agency's announcement of the details of its task force.

This new regulatory process is intended to force agencies to focus their efforts to implement in a structured fashion the earlier Executive Orders that require reductions of unnecessary and ineffective regulatory burdens. The new EO needs to be considered in the context of President Trump's January 30 EO No. 13771 requiring each executive agency to identify two regulations

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for repeal in order to offset the cost of each new regulation that is proposed in order to achieve a zero incremental regulatory cost. EO 13771 also requires that agencies receive guidance from the Director of the Office of Management and Budget for calculating regulatory costs.

Because this EO gives business interest such a large opportunity to be heard about regulations that are burdensome, unnecessary or obsolete, we are recommending to our clients that they avail themselves fully of such opportunity and provide input, either directly or through trade associations or industry-wide groups. Businesses should monitor and participate in the regulatory reform processes as they unfold to ensure that the new EO can in fact be implemented on a fast track, or whether agencies resist or push back on the EO. Moreover, given bureaucratic inertia, we expect that many agencies will struggle to keep up with the new timetable in a meaningful way, but this latest EO is intended to keep that from happening.

Butzel Long attorneys with expertise in regulatory matters are prepared to assist you in monitoring regulatory agencies' compliance with this EO, and more importantly, to assist you in helping the regulatory agencies to eliminate unnecessary regulatory burdens that adversely affect your business.

For further information, please contact Tom Patton in our Washington office, or any other Butzel lawyer with whom you work.

Thomas Earl Patton

202.454.2840

pattont@butzel.com

Stephen L. Goodman

202.454.2851

goodman@butzel.com

Ira E. Hoffman

202.454.2849

hoffmani@butzel.com