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**TESTIMONY OF HOWARD SHELANSKI  
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BEFORE THE COMMITTEE ON HOMELAND SECURITY AND  
GOVERNMENT AFFAIRS  
SUBCOMMITTEE ON THE EFFICIENCY AND EFFECTIVENESS OF  
FEDERAL PROGRAMS AND THE FEDERAL WORKFORCE  
UNITED STATES SENATE**

**March 11, 2014**

Chairman Tester, Ranking Member Portman, and members of the Subcommittee:

Thank you for the invitation to appear before you today. I am pleased to have this opportunity to discuss recent developments at the Office of Information and Regulatory Affairs (OIRA) and my priorities for OIRA going forward, especially as they relate to retrospective review of regulations and reducing the number of rules pending at OIRA for extended periods of evaluation.

Since I became OIRA Administrator this past July, it has been my privilege to work with OIRA's outstanding staff, with the first-rate leadership team at the Office of Management and Budget under Director Sylvia Burwell, and with our hardworking colleagues throughout the Executive Branch. Together we are working to achieve this Administration's and Congress' goals of promoting economic growth and opportunity while simultaneously protecting the health, safety, and welfare of Americans now and into the future.

The regulatory work that this Administration is pursuing is vital to our Nation. OIRA does not set the agencies' policy agendas; the office does work with agencies to ensure that the regulations through which they implement policies are efficient, well-designed to achieve their objectives, and based upon the best available evidence. Through the 4<sup>th</sup> fiscal year of this Administration, the net benefits of rules reviewed by OIRA total \$159 billion. We are still finalizing our 5<sup>th</sup> year fiscal numbers, but expect that they will deliver at least \$25 billion in additional net benefits.

I want to discuss three priorities for OIRA, both now and looking ahead: (1) the clarity and transparency of the review process and regulatory environment, (2) rigorous analysis, and (3) retrospective review of existing regulations.

I will begin with the clarity of the review process and regulatory environment. To allow people, businesses and organizations, and States and localities to plan for the future, it is important that stakeholders have notice of the Government's plans for forthcoming regulatory activity. For that

reason, OIRA is charged with assembling and publishing a *Unified Regulatory Agenda* each spring and fall, setting forth the expected regulatory actions to be undertaken by Federal agencies over the coming year. OIRA published the Fall 2013 *Unified Regulatory Agenda and Plan* just before Thanksgiving, and is on track to publish the update to the *Unified Agenda* this Spring.

The Agenda is a broad list, including all of the regulations under development or review during the next 12 months, as well as longer term actions. Such an inclusive listing makes the regulatory environment more transparent and participatory for all stakeholders, especially when combined with the annual Plan, which focuses more narrowly on regulatory actions the agencies intend to issue in proposed or final form within the upcoming fiscal year. It will therefore be a continued priority for me as OIRA Administrator to ensure timely publication of the *Unified Regulatory Agenda and Plan*.

Of similar importance to the clarity and certainty of the regulatory environment is that rules – both new rules and those already under review – move through OIRA as efficiently as resource constraints and rigorous analysis permit. It is a top priority of mine to reduce the frequency of extended regulatory reviews and to work with agencies on rules that are already under extended review. I am pleased to report that, thanks to the tireless work of OIRA staff, we have dramatically reduced the number of rules that were under review for more than 200 days and the number of rules under review for more than 90 days is down considerably and continues to fall.

Finally, in addition to improving the clarity of the regulatory environment through notice and timeliness, we are significantly updating the tools the public can use to engage in the rulemaking process. For example, OIRA worked closely with agencies to enhance regulations.gov. This website, first launched in 2003, enables citizens to search, view, and comment on proposed regulations. Among other things, the site now offers tools such as a form that guides and provides tips to the public on submitting effective comments, and several types of Application Programming Interface (API) that software developers use to build web-based, desktop, and mobile device applications integrated with regulations.gov. We continue to explore ways to make improvements to our information systems that will increase transparency, including making the disclosure of information associated with regulatory review more automated and user friendly. Those changes are still under development, but we are optimistic that they will prove both feasible and helpful.

While increasing the predictability of the regulatory process through timely review of rules and regular publication of regulatory plans and agendas is essential, Executive Orders 13563 and 13610 also make clear that flexibility and removal of unnecessary burdens are essential elements of the Federal rulemaking process, as is improving rules already on the books. As I previously testified, ensuring regulatory flexibility for small businesses and reducing regulatory burdens for everyone through the retrospective review process are high priorities for me as Administrator.

Retrospective review is a crucial way to ensure that our regulatory system is modern, streamlined, and does not impose unnecessary burdens on the American public. Even regulations that were well crafted when first promulgated can become unnecessary or excessively burdensome over time and with changing conditions. Similarly, rules that are not achieving their objectives may be in need of revision in light of experience, new evidence, or

new technology. Retrospective review of regulations on the books helps to ensure that those regulations are continuing to help promote the safety, health, welfare, and well-being of Americans without imposing unnecessary costs or missing the opportunity to achieve greater net benefits.

Executive Order 13610 asks agencies to report regularly on the progress of their retrospective review activities. Yesterday, agencies posted their most recent retrospective review updates on their websites. Taken together, Federal agencies provided updates on their initiatives, many of which are new efforts that agencies added since their July 2013 listing of look-back plans. These efforts are already saving more than \$10 billion in regulatory costs in the near term, with more savings to come. Here are some additional examples that will add to these savings, including:

- The Department of Transportation issued a proposed rule to rescind the requirement that truck drivers submit and retain driver-vehicle inspection reports when the driver has neither found nor been made aware of any vehicle defects or deficiencies. This change would save tens of millions of hours in paperwork burden per year, for approximately \$1.5 billion in annual paperwork time savings.
- In the area of export control regulations, streamlined licensing processes are now finalized for 11 of 17 targeted categories of export controls, with more in the works.
- The Department of Veterans Affairs issued a proposed rule to reorganize and rewrite its compensation and pension regulations making it easier and less costly for claimants, beneficiaries, veterans' representatives, and VA personnel to locate and understand those regulations.

While there is important progress on retrospective review, I think we need to do even better. At OIRA, we are working, along with colleagues elsewhere in OMB and at the agencies, on several ways to further institutionalize retrospective review as an essential component of government regulatory policy. As part of this effort, we are considering and developing several components that will make regulatory look-back a more systematic priority for agencies. Such institutionalization of retrospective review, both to ensure follow-through on existing plans and to help agencies develop their future plans, will be one of our key objectives moving forward.