

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2623
OFFERED BY MR. MEADOWS OF NORTH
CAROLINA**

Strike all after the enacting clause and insert the following:

1 SEC. 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Lessening Regulatory Costs and Establishing a Federal
4 Regulatory Budget Act of 2017”.

5 (b) TABLE OF CONTENTS.—The table of contents for
6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Sense of congress; purpose.
- Sec. 3. Establishing regulatory reform capacity.
- Sec. 4. Accountability.
- Sec. 5. Regulatory planning and budget.
- Sec. 6. Waiver.
- Sec. 7. Definitions.

7 SEC. 2. SENSE OF CONGRESS; PURPOSE.

8 (a) SENSE OF CONGRESS.—It is the sense of Con-
9 gress that the Federal Government should be prudent and
10 financially responsible in the expenditure of funds, from
11 both public and private sources. In addition to the man-
12 agement of the direct expenditure of taxpayer dollars
13 through the budgeting process, it is essential to manage

1 the costs associated with the governmental imposition of
2 private expenditures required to comply with Federal reg-
3 ulations.

4 (b) PURPOSE.—The purpose of this Act is—

5 (1) to remove unnecessary or outdated regula-
6 tions when a new significant regulation is issued;
7 and

8 (2) to prudently manage and control the cost of
9 planned regulations through an annual budgeting
10 process.

11 **SEC. 3. ESTABLISHING REGULATORY REFORM CAPACITY.**

12 (a) REGULATORY REFORM OFFICERS.—

13 (1) IN GENERAL.—Except as provided for
14 under section 6, not later than 60 days after the
15 date of the enactment of this Act, the head of each
16 agency shall designate an employee or officer of the
17 agency as the Regulatory Reform Officer (in this
18 Act referred to as the “agency RRO”).

19 (2) DUTIES.—In accordance with applicable law
20 and in consultation with relevant senior agency offi-
21 cials, each agency RRO shall oversee—

22 (A) the implementation of regulatory re-
23 form initiatives and policies for the agency to
24 ensure that the agency effectively carries out
25 regulatory reforms; and

1 (B) the termination of programs and ac-
2 tivities that derive from or implement statutes,
3 Executive orders, guidance documents, policy
4 memoranda, rule interpretations, and similar
5 documents, or relevant portions thereof, that
6 have been repealed or rescinded.

7 (b) REGULATORY REFORM TASK FORCES.—

8 (1) ESTABLISHMENT OF AGENCY TASK FORCE;
9 MEMBERSHIP.—Except as provided under section 6,
10 not later than 60 days after the date of the enact-
11 ment of this Act, the head of each agency shall ap-
12 point and may remove members to the regulatory re-
13 form task force (in this section referred to as the
14 “Task Force”) of the agency, which shall be com-
15 posed of the following members:

16 (A) The agency RRO.

17 (B) A senior agency official from each rel-
18 evant component or office of the agency with
19 significant authority for issuing or repealing
20 regulatory actions.

21 (C) Additional senior agency officials in-
22 volved in the development of rulemaking or
23 other regulatory action at the agency, as deter-
24 mined by the head of the agency.

1 (2) CHAIR.—Unless otherwise designated by the
2 head of the agency, the agency RRO shall chair the
3 Task Force of the agency.

4 (3) JOINT TASK FORCES.—For the consider-
5 ation of a joint rulemaking, the Director may form
6 a joint regulatory reform task force composed of at
7 least one member from the Task Force of each rel-
8 evant agency. Any joint regulatory reform task force
9 formed under this paragraph shall consult with each
10 relevant Task Force.

11 (4) DUTIES.—Each Task Force shall conduct
12 ongoing evaluations of regulations and other regu-
13 latory actions and make recommendations that are
14 consistent with and that could be implemented in ac-
15 cordance with applicable law to the head of the
16 agency regarding repeal, replacement, or modifica-
17 tion of regulations and regulatory actions. To the ex-
18 tent practicable, each Task Force shall—

19 (A) not later than 5 years after the date
20 of the enactment of this Act, complete a review
21 of each regulation issued by the agency;

22 (B) for each regulation or regulatory ac-
23 tion reviewed and identified for repeal, replace-
24 ment, or modification, estimate the cost savings

1 of such repeal, replacement, or modification, as
2 applicable; and

3 (C) identify regulations that are appro-
4 priate for repeal, replacement, or modification,
5 and prioritize the evaluation of regulations
6 that—

7 (i) eliminate or have eliminated jobs
8 or inhibit or have inhibited job creation;

9 (ii) are outdated, unnecessary, or inef-
10 fective;

11 (iii) impose costs that exceed benefits;

12 (iv) create a serious inconsistency or
13 otherwise interfere with regulatory reform
14 initiatives and policies;

15 (v) were issued or are maintained in a
16 manner that is inconsistent with the re-
17 quirements of section 515 of the Treasury
18 and General Government Appropriations
19 Act, 2001 (Public Law 106–554; 44
20 U.S.C. 3516 note), or the guidance issued
21 pursuant to that section, including any
22 rule that relies in whole or in part on data,
23 information, or methods that are not pub-
24 licly available or that are insufficiently

1 transparent to meet the standard for re-
2 producibility; or

3 (vi) were made pursuant to or to im-
4 plement statutes, Executive orders, or
5 other Presidential directives that have been
6 subsequently rescinded or substantially
7 modified.

8 (c) CONSULTATION WITH STAKEHOLDERS.—In per-
9 forming the tasks under this section, each agency RRO
10 and Task Force shall seek input and other assistance from
11 the public and from entities significantly affected by regu-
12 lations, including State, local, and Tribal governments,
13 small businesses, consumers, non-governmental organiza-
14 tions, and trade associations. Each agency RRO and Task
15 Force may—

16 (1) incorporate specific suggestions from stake-
17 holders in identifying the list of deregulatory actions
18 to recommend to the head of the agency; and

19 (2) accept or solicit input from the public in
20 any manner, if—

21 (A) the process is transparent to the public
22 and Congress;

23 (B) a list of each meeting, a list of each
24 stakeholder that submitted a comment, and a

1 copy of each written comment are made publicly
2 available online; and

3 (C) the Task Force issues a public notice
4 of any public meeting to solicit input not less
5 than 7 days before the public meeting and
6 makes detailed minutes of the meeting available
7 online not less than 7 days after the date of the
8 meeting.

9 (d) TRANSPARENT REGULATORY REFORM.—

10 (1) WEBSITE.—To the extent practicable, the
11 head of each agency shall publish information about
12 the Task Force of the agency and other regulatory
13 reform initiatives on the website of the agency—

14 (A) which shall include—

15 (i) a list of the members of the Task
16 Force of the agency;

17 (ii) a copy of each report issued under
18 this subsection; and

19 (iii) a link to or copy of each notice of
20 a meeting or solicitation of public com-
21 ments issued by the Task Force of the
22 agency; and

23 (B) which may include—

24 (i) an online forum to receive com-
25 ments from the public; and

1 (ii) any other information about the
2 Task Force or other regulatory reform ini-
3 tiatives at the agency.

4 (2) REPORT.—Not less than twice a year, each
5 agency RRO shall submit to the head of the agency
6 a report on the activities performed under this sec-
7 tion and any recommendations resulting from such
8 activities (which shall be posted by the head of the
9 agency on a publicly accessible website), and shall
10 include the following:

11 (A) A description of any improvement
12 made toward implementation of regulatory re-
13 form initiatives and policies.

14 (B) For each regulation or other regu-
15 latory action reviewed by the Task Force, a de-
16 tailed description of the review.

17 (C) An inventory of each regulation or reg-
18 ulatory action the Task Force recommends the
19 agency consider for repeal, replacement, or
20 modification.

21 (D) A list of all activities conducted under
22 subsection (c), a summary of all comments re-
23 ceived, and a hyperlink to copies of each public
24 comment received.

1 **SEC. 4. ACCOUNTABILITY.**

2 (a) INCORPORATION IN PERFORMANCE PLANS.—

3 (1) IN GENERAL.—Each agency listed in section
4 901(b)(1) of title 31, United States Code, shall in-
5 corporate in the annual performance plan of the
6 agency (required under section 1115(b) of title 31,
7 United States Code) performance indicators that
8 measure progress implementing this Act.

9 (2) OMB GUIDANCE.—The Director shall issue,
10 and update as necessary, guidance regarding the im-
11 plementation of this subsection.

12 (b) PERFORMANCE ASSESSMENT.—The head of each
13 agency shall consider the progress implementing this Act
14 in assessing the performance of the Task Force of the
15 agency and those individuals responsible for developing
16 and issuing agency rules.

17 **SEC. 5. REGULATORY PLANNING AND BUDGET.**

18 (a) UNIFIED AGENDA AND ANNUAL REGULATORY
19 PLAN.—

20 (1) UNIFIED REGULATORY AGENDA.—During
21 the months of April and October of each year, the
22 Director shall publish a unified regulatory agenda,
23 which shall include—

24 (A) regulatory and deregulatory actions
25 under development or review at agencies;

1 (B) a Federal regulatory plan of all signifi-
2 cant regulatory actions and associated deregula-
3 tory actions that agencies reasonably expect to
4 issue in proposed or final form in the current
5 and following fiscal year; and

6 (C) all information required to be included
7 in the regulatory flexibility agenda under sec-
8 tion 602 of title 5, United States Code.

9 (2) AGENCY SUBMISSIONS.—In accordance with
10 guidance issued by the Director and not less than 60
11 days before each date of publication for the unified
12 regulatory agenda under paragraph (1), the head of
13 each agency shall submit to the Director an agenda
14 of all regulatory actions and deregulatory actions
15 under development at the agency, including the fol-
16 lowing:

17 (A) For each regulatory action and deregula-
18 tory action:

- 19 (i) A regulation identifier number.
20 (ii) A brief summary of the action.
21 (iii) The legal authority for the action.
22 (iv) Any legal deadline for the action.
23 (v) The name and contact information
24 for a knowledgeable agency official.

1 (vi) Any other information as required
2 by the Director.

3 (B) An annual regulatory plan, which shall
4 include a list of each significant regulatory ac-
5 tion the agency reasonably expects to issue in
6 proposed or final form in the current and fol-
7 lowing fiscal year, including for each significant
8 regulatory action:

9 (i) A summary, including the fol-
10 lowing:

11 (I) A statement of the regulatory
12 objectives.

13 (II) The legal authority for the
14 action.

15 (III) A statement of the need for
16 the action.

17 (IV) The agency's schedule for
18 the action.

19 (ii) The estimated cost.

20 (iii) The estimated benefits.

21 (iv) Any deregulatory action identified
22 to offset the estimated cost of such signifi-
23 cant regulatory action and an explanation
24 of how the agency will continue to achieve

1 regulatory objectives if the deregulatory ac-
2 tion is taken.

3 (v) A best approximation of the total
4 cost or savings and any cost or savings as-
5 sociated with a deregulatory action.

6 (vi) An estimate of the economic ef-
7 fects, including any estimate of the net ef-
8 fect that such action will have on the num-
9 ber of jobs in the United States, that was
10 considered in drafting the action, or, if
11 such estimate is not available, a statement
12 affirming that no information on the eco-
13 nomic effects, including the effect on the
14 number of jobs, of the action has been con-
15 sidered.

16 (C) Information required under section
17 602 of title 5, United States Code.

18 (D) Information required under any other
19 law to be reported by agencies about significant
20 regulatory actions, as determined by the Direc-
21 tor.

22 (b) FEDERAL REGULATORY BUDGET.—

23 (1) ESTABLISHMENT.—In the April unified reg-
24 ulatory agenda described under subsection (a), the
25 Director shall establish the annual Federal Regu-

1 latory Budget, which specifies the net amount of in-
2 cremental regulatory costs allowed by the Federal
3 Government and at each agency for the next fiscal
4 year. The Director may set the incremental regu-
5 latory cost allowance to allow an increase, prohibit
6 an increase, or require a decrease of incremental
7 regulatory costs.

8 (2) DEFAULT NET INCREMENTAL REGULATORY
9 COST.—If the Director does not set a net amount of
10 incremental regulatory costs allowed for an agency,
11 the net incremental regulatory cost allowed shall be
12 zero.

13 (3) BALANCE ROLLOVER OF INCREMENTAL
14 REGULATORY COST ALLOWANCE.—If an agency does
15 not exhaust all of the incremental regulatory cost al-
16 lowance for a fiscal year, the balance may be added
17 to the incremental regulatory cost allowance for the
18 subsequent fiscal year, without increasing the incre-
19 mental regulatory costs allowed for the Federal Gov-
20 ernment for the subsequent fiscal year. The Director
21 must identify the total carryover incremental regu-
22 latory cost allowance available to an agency in the
23 Federal Regulatory Budget.

1 (c) SIGNIFICANT REGULATORY ACTION REQUIRE-
2 MENTS.—Except as otherwise required by law, a signifi-
3 cant regulatory action shall have no effect unless—

4 (1) the—

5 (A) head of the agency identifies not less
6 than 2 deregulatory actions to offset the costs
7 of such significant regulatory action, and to the
8 extent feasible, issues such deregulatory actions
9 before or on the same schedule as the signifi-
10 cant regulatory action;

11 (B) incremental costs of such significant
12 regulatory action as offset by any deregulatory
13 action issued before or on the same schedule as
14 the significant regulatory action do not cause
15 the agency to exceed or contribute to the agen-
16 cy exceeding the incremental regulatory cost al-
17 lowance of the agency for that fiscal year; and

18 (C) significant regulatory action was in-
19 cluded on the most recent version or update of
20 the published unified regulatory agenda; or

21 (2) the issuance of the significant regulatory ac-
22 tion was approved in advance in writing by the Di-
23 rector and the written approval is publicly available
24 online prior to the issuance of such significant regu-
25 latory action.

1 (d) GUIDANCE BY OMB.—

2 (1) IN GENERAL.—Not later than 90 days after
3 the date of the enactment of this Act, the Director
4 shall establish and issue guidance on how agencies
5 should comply with the requirements of this section.

6 Such guidance shall include the following:

7 (A) A process for standardizing the meas-
8 urement and estimation of regulatory costs, in-
9 cluding cost savings associated with deregula-
10 tory actions.

11 (B) Standards for determining what quali-
12 fies as a deregulatory action.

13 (C) Standards for determining the costs of
14 existing regulatory actions that are considered
15 for repeal, replacement, or modification.

16 (D) A process for accounting for costs in
17 different fiscal years.

18 (E) Methods to oversee the issuance of sig-
19 nificant regulatory actions offset by cost sav-
20 ings achieved at different times or by different
21 agencies.

22 (F) Emergencies and other circumstances
23 that may justify individual waivers of the re-
24 quirements of this section.

1 (G) Standards by which the Director will
2 determine whether a regulatory action or a col-
3 lection of regulatory actions qualifies as a sig-
4 nificant regulatory action.

5 (2) UPDATES TO GUIDANCE.—The Director
6 shall update the guidance issued pursuant to this
7 section as necessary.

8 **SEC. 6. WAIVER.**

9 (a) WAIVER AUTHORITY.—Upon the written request
10 of the head of an agency, the Director may issue a written
11 waiver of the requirements of section 3 if the Director de-
12 termines that the agency generally issues very few or no
13 rules.

14 (b) REVOCATION OF WAIVER.—The Director may re-
15 voke at any time a waiver issued under this section.

16 (c) PUBLIC AVAILABILITY OF WAIVERS.—The Direc-
17 tor shall maintain a publicly available list of each agency
18 that is operating under a waiver issued under this section.

19 (d) REQUIREMENT FOR WAIVER.—A waiver shall not
20 be effective unless the written waiver and the written re-
21 quest of the agency are publicly available on the website
22 of the Office of Management and Budget.

23 **SEC. 7. DEFINITIONS.**

24 In this Act:

1 (1) AGENCY.—The term “agency” has the
2 meaning given that term in section 551 of title 5,
3 United States Code.

4 (2) COSTS.—The term “costs” means oppor-
5 tunity cost to society.

6 (3) COST SAVINGS.—The term “cost savings”
7 means the cost imposed by a regulatory action that
8 is eliminated by the repeal, replacement, or modifica-
9 tion of such regulatory action.

10 (4) DEREGULATORY ACTION.—The term “de-
11 regulatory action” means the repeal, replacement, or
12 modification of an existing regulatory action.

13 (5) DIRECTOR.—The term “Director” means
14 the Director of the Office of Management and Budg-
15 et.

16 (6) INCREMENTAL REGULATORY COST.—The
17 term “incremental regulatory cost” means the dif-
18 ference between the estimated cost of issuing a sig-
19 nificant regulatory action and the estimated cost
20 saved by issuing any deregulatory action.

21 (7) REGULATION; RULE.—The term “regula-
22 tion” or “rule” has the meaning given the term
23 “rule” in section 551 of title 5, United States Code.

24 (8) REGULATORY ACTION.—The term “regu-
25 latory action” means—

1 (A) any regulation; and

2 (B) any other regulatory guidance, state-
3 ment of policy, information collection request,
4 form, or reporting, recordkeeping, or disclosure
5 requirements that imposes a burden on the pub-
6 lic or governs agency operations.

7 (9) SIGNIFICANT REGULATORY ACTION.—The
8 term “significant regulatory action” means any reg-
9 ulatory action, other than monetary policy proposed
10 or implemented by the Board of Governors of the
11 Federal Reserve System or the Federal Open Market
12 Committee, that is likely to—

13 (A) have an annual effect on the economy
14 of \$100,000,000 or more or adversely affect in
15 a material way the economy, a sector of the
16 economy, productivity, competition, jobs, the
17 environment, public health or safety, or State,
18 local, or Tribal governments or communities;

19 (B) create a serious inconsistency or other-
20 wise interfere with an action taken or planned
21 by another agency;

22 (C) materially alter the budgetary impact
23 of entitlements, grants, user fees, or loan pro-
24 grams or the rights and obligations of recipi-
25 ents thereof; or

1 (D) raise a novel legal or policy issue.

2 (10) STATE.—The term “State” means each of
3 the several States, the District of Columbia, and
4 each territory or possession of the United States.

