

Statement of

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before the

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on
“Regulatory Reform Task Forces Check-In”**

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Good Morning Chairman Meadows, Chairman Jordan, Ranking Member Connolly, Ranking Member Krishnamoorthi, and Members of the Subcommittees. Thank you for this opportunity to provide information about the Department of Defense (DoD) Regulatory Reform Task Force (Task Force) and DoD's regulatory reform efforts under Executive Orders (EO) 13777 and 13771.

My name is Joo Chung, and I am the Director of Oversight and Compliance, in the Office of the Deputy Chief Management Officer, at the Department of Defense. The Department of Defense firmly supports the regulatory reform initiatives set forth in EOs 13777 and 13771, which promote the prudent management and control of cost of regulations and agency accountability. With its regulatory reform efforts, the Department is committed to more faithfully adhering to the regulatory principles that federal agencies should promulgate only those regulations that are required or necessary and that do not unduly burden the American people.

In accordance with EO 13777, on April 20, 2017, the Department of Defense established its Regulatory Reform Task Force, and the Deputy Secretary of Defense designated me as the Department of Defense's Regulatory Reform Officer and the Chair of the DoD Regulatory Reform Task Force. The Task Force was established to conduct a comprehensive, retrospective review of all of its 716 existing, codified DoD regulations, including 350 Defense Federal Acquisition Regulation Supplement (DFARS) contract clauses and solicitation provisions to make recommendations to the Secretary of Defense regarding their repeal, replacement, or modification, consistent with applicable law.

The DoD Task Force is composed of senior leaders of the Department, including representatives from the three Military Departments, the Under Secretaries of Acquisition, Technology, and Logistics, and Personnel and Readiness, the Deputy Chief Management Officer, and the Office of General Counsel. Additionally, three subgroups under the Task Force have been established to aid in the review of the provisions of the DFARS, the regulations of the Army Corps of Engineers, and the amendments to the Defense Health Agency TRICARE regulation.

The Task Force's efforts can be divided into three main phases, which include the: 1) establishment of the Task Force; 2) review and recommendations of the rules; and 3) implementation and sustainment of the reform efforts. In order to review all 716 codified regulations at a steady and actionable rate, the Task Force established a biweekly schedule of review with the goal of concluding its reviews by December 2018. At the outset, the Task Force scheduled reviews of regulations by topic in order to evaluate regulations for consolidation and to eliminate unnecessary, outdated, or ineffective regulations, which is a priority set forth in EO 13777.

The Task Force convened its first meeting on April 27, 2017, and has been meeting on a biweekly basis to rigorously evaluate existing regulations and make recommendations to the Secretary of Defense on a quarterly basis on whether the regulations should be repealed, replaced, or modified to alleviate unnecessary regulatory cost and burden. The process of review begins with an assessment of the regulation by DoD Components. Prior to the presentation by the DoD Component at the Task Force meeting, DoD Component subject matter experts, attorneys, and regulatory experts convene together to formulate a recommendation in accordance

with the legal and policy requirements under the Administrative Procedure Act and EOs 13777, 13771, 12866, and 13563.

In accordance with EO 13777, the Task Force sent its first progress report and set of recommendations to the Secretary of Defense on May 24, 2017. In that first report, the Task Force identified 34 regulations for repeal, one regulation for revision, and one regulation for retention with a projected cost savings of \$545,296.00. On September 30, 2017, the Task Force sent forward its second progress report and set of recommendations that included an additional 54 regulations for repeal, 9 more regulations for revision, 5 regulations for modification, and 13 regulations for retention with a projected costs savings of \$10,013,500.00. At the time of the second progress report, the Task Force had reviewed 120 regulations including 19 DFARS contract clauses and solicitation provisions. Subject to final analysis and review by the Office of Management and Budget, the DoD Components have identified a projected cost savings of \$10,558,796.00, and DoD anticipates that it may repeal 88 (73 percent) of the regulations that have been reviewed by the Task Force.

Most of the Task Force's recommendations thus far have been to eliminate or modify unnecessary, outdated, or ineffective regulations, which is the highest priority listed in EO 13777, and which we believe will have been a great benefit to the Department and the public. Several reviews have resulted in recommendations to consolidate rules into a single DoD-level rule, which will provide the public with one governing regulation promoting consistent application of rules on the public.

To provide an opportunity for public engagement, the Task Force published notices for comments on the rules being reviewed by the Task Force and the three subgroups. In addition, the Department has updated its regulatory website at <http://open.defense.gov/Regulatory-Program/> to provide additional transparency and information to the public. The website includes Frequently Asked Questions, copies of approved progress reports and recommendations, and a membership list.

In order to educate and provide guidance to our workforce on the regulatory reform efforts, the Task Force has provided DoD Components with guidelines for regulatory principles and conducting cost analyses of rulemaking. Additionally, the DFARS subgroup, with the help of an Office of Management and Budget economist, has developed a cost estimation tool to standardize compliance costs of rulemaking. We are beta testing the tool now and looking to see if the cost estimation tool can be standardized as part of our business process as well as shared with other government agencies.

DoD understands that a key component of these reform efforts will be the implementation of the recommendations and to ensure that target dates are not missed. To that end, the Department has started to work on the implementation phase of those recommendations that have been approved. The Task Force is tracking the status of each of the regulatory actions, which may be at different phases of implementation, and holding our Components accountable for necessary actions. Currently, the Task Force has reviewed 17 percent of its codified regulations, and is on track to meet its goal to review all of DoD's codified regulations by the end of 2018. We also have

institutionalized this reform effort and will continue to apply scrutiny to our regulatory actions on an ongoing basis.

Mr. Chairmen, DoD believes that the deregulatory actions and the cost savings that will be produced as a result of DoD's reform efforts will help reduce unnecessary burdens on the public and ensure the Department continues to meet its fiduciary responsibilities to the American public. Not only have the reform efforts helped streamline the Department's regulatory program and processes, but these initiatives have promoted agency accountability which supports the Department's overall mission. I thank the Chairmen, Ranking Members and the Subcommittees for the opportunity to discuss the Department's regulatory reform efforts. This concludes my prepared remarks and I defer to the Chairmen for further questions.