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**TESTIMONY OF HOWARD SHELANSKI
ADMINISTRATOR FOR THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS
OFFICE OF MANAGEMENT AND BUDGET
BEFORE THE HOUSE COMMITTEE ON THE JUDICIARY
SUBCOMMITTEE ON REGULATORY REFORM, COMMERCIAL AND ANTITRUST LAW
UNITED STATES HOUSE OF REPRESENTATIVES**

September 30, 2013

Chairman Bachus, Ranking Member Cohen, 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.

I am honored that President Obama nominated me, and that the Senate confirmed me, to be the Administrator of OIRA. In the roughly 12 weeks since I took office in July, it has been my privilege to work with the excellent and dedicated OIRA staff, the first-rate leadership team at the Office of Management and Budget under Director Sylvia Burwell, and our hardworking colleagues throughout the Executive Branch. Together we are working to achieve the Administration's goals of promoting economic growth and employment while simultaneously protecting the health, safety, and welfare of Americans now and into the future.

OIRA has a broad portfolio that extends beyond regulatory review. For example, under the Paperwork Reduction Act, the Office is responsible for reviewing collections of information by the Federal Government to ensure that they are not unnecessarily burdensome. OIRA also provides guidance on privacy policy to Federal agencies and oversees the implementation of government-wide information quality and statistical standards. One of my objectives as

Administrator is to work with colleagues across the Government to ensure that Federal policy in each of these areas adapts to the ever-changing technological environment while remaining clear and consistent with applicable law.

To be sure, the largest area of OIRA's work is the review of regulations promulgated by Executive Branch departments and agencies. A set of Executive Orders establishes the principles and procedures for OIRA's regulatory reviews. Most significantly, E.O. 12866 and E.O. 13563 delineate processes for regulatory review and establish standards and analytic requirements for rulemaking by departments and agencies.

Other important Executive Orders focus on the reduction of regulatory burdens through the retrospective review of existing rules (EO 13563 and 13610), and on international regulatory cooperation (EO 13609).

My priorities as OIRA Administrator are directly rooted in the relevant Executive Orders. One such priority is to increase the predictability of the regulatory review process by improving the timeliness and transparency of OIRA's key functions. In that regard, I have committed to publishing the Unified Agenda and Regulatory Plan for agency rulemaking activity twice each year. OIRA staff have been working closely with all Federal regulatory agencies toward the timely publication of the fall plan and agenda.

Of similar importance to 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 has been a top priority of mine since coming to OIRA to reduce the frequency of extended regulatory reviews and to work with agencies on rules that are already under extended review. While OIRA's consideration of Federal regulations must first and foremost uphold the standards of analysis that the Executive Orders establish, unnecessary delays in review are harmful to everyone: to those who are denied the benefits of regulation, to those wishing to comment on proposed rules and influence policy, and to those who must plan for any changes the regulations require of them. I am pleased to report that, thanks to the tireless work of OIRA staff in the months before and since my arrival, we have

more than cut in half 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.

While increasing the predictability of the regulatory process through timely review of rules and publication of regulatory plans and agendas is essential, the Executive Orders also make clear that flexibility and removal of unnecessary burdens are essential elements of the Federal rulemaking process. As I have 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. 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.

Agencies filed their most recent retrospective review plans with OIRA in July. OIRA completed its review of those plans a few weeks later and agencies have posted them on their websites.

As I testified in July, our retrospective review efforts to that point had already produced significant results, bringing near-term cost savings of more than \$10 billion to the US economy.

As agencies move forward with their current plans, OIRA will work with them to achieve even greater gains. Many of the retrospective review efforts particularly benefit small businesses.

The Department of Transportation's retrospective review plan alone identifies over two dozen initiatives to save money for small businesses and local governments. The institutionalization of retrospective review to ensure follow-through on such plans will be one of our key objectives moving forward.

Finally, OIRA has important responsibilities in the area of international regulatory cooperation under EO 13609. We have made progress in a number of areas with our international partners through the Canada-United States Regulatory Cooperation Council and the Mexico-United States

High Level Regulatory Cooperation Council. OIRA has also furthered its international regulatory mission in coordination with the Department of State and USTR, including activities in support of the Transatlantic Trade and Investment Partnership (TTIP) discussion of regulatory cooperation between the US and the European Union. Regulatory cooperation benefits both businesses and consumers by promoting consistent standards and procedures across borders, and by preserving safety and welfare while promoting competitiveness here and abroad. While the international role of OIRA is small compared to its key missions of regulatory review and implementing Federal information policy, it is nonetheless an important effort going forward.

In conclusion, the many activities of government bring great benefits to Americans but can also carry costs. It is therefore critical to ensure that paperwork and information collection do not impose undue burdens; that Federal agencies ensure privacy and use only high-quality data; and that regulation protects health, safety and welfare in a manner that is consistent with job creation and economic growth. These are central objectives of this Administration and are the main tasks of OIRA. It is my honor and privilege to serve as OIRA's Administrator as we continue to meet these challenges.

Thank you again for the opportunity to appear before the committee today. I look forward to answering your questions.