

**EXECUTIVE OFFICE OF THE PRESIDENT
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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 OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON HEALTH CARE, BENEFITS AND ADMINISTRATIVE RULES AND
THE SUBCOMMITTEE ON GOVERNMENT OPERATIONS
UNITED STATES HOUSE OF REPRESENTATIVES**

March 3, 2015

Chairman Jordan, Ranking Member Cartwright, Chairman Meadows, Ranking Member Connolly and members of the Subcommittees:

Thank you for the invitation to appear before you today. I am pleased to have this opportunity to discuss the activities and priorities of the Office of Information and Regulatory Affairs (OIRA).

As the Administrator of OIRA, it is my privilege to work with the skilled and dedicated OIRA staff, the first-rate leadership team at the Office of Management and Budget, and our excellent colleagues throughout the Government. We are all working to continue our Nation's economic recovery and employment growth while protecting the health, safety, and welfare of Americans, now and into the future.

OIRA has a broad portfolio that ranges from coordination of Government-wide information and statistical policy to review of Executive Branch regulations to international regulatory cooperation. For example, under the Paperwork Reduction Act, OIRA is responsible for reviewing collections of information by the Federal Government to ensure that they are not unnecessarily burdensome. OIRA also develops and oversees the implementation of Government-wide statistical standards and policies, facilitates efficient and effective data sharing, and provides guidance on privacy and confidentiality policy to Federal agencies. We will continue 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.

The largest area of OIRA's work is the review of regulations promulgated by Executive Branch departments and agencies. A set of Executive Orders (E.O.s), most significantly E.O. 12866 and E.O. 13563, provide the principles and procedures for OIRA's regulatory reviews. Executive Order 12866 is long established, and has been implemented across several Administrations of both parties. Both E.O. 12866 and E.O. 13563 set forth standards and analytic requirements for rulemaking by departments and agencies, and call for agencies to regulate only when the benefits of a rule justify its costs, to the extent permitted by law.

My priorities as OIRA Administrator are directly rooted in the relevant Executive Orders. One such priority has been to increase the predictability of the regulatory review process by improving the timeliness and transparency of OIRA's key functions. In that regard, during my tenure we have ensured timely publication of the Unified Agenda and Regulatory Plan for agency rulemaking activity each spring and fall.

Of similar importance to clarity and certainty in our regulatory environment is that rules that come to OIRA receive both a thorough and efficient review. As we have been throughout this Administration, we will work with agencies to continually improve the review process and the quality of government regulation. While OIRA must first and foremost uphold the standards of review that the Executive Orders establish, unnecessary delays in review are harmful across the board: to those wishing to comment on proposed rules, to those who must make plans to comply with rules, and to those denied the benefits of regulation. Another important objective of the Executive Orders under which OIRA operates is the introduction of flexibility into, and removal of unnecessary burdens from, Federal rules. Ensuring regulatory flexibility for small businesses and reducing regulatory burdens for everyone through the retrospective review process are high priorities for OIRA. We have worked successfully with the Small Business Administration and agencies across the Executive Branch to minimize the particular burdens that regulation might disproportionately impose on small and new businesses, especially in areas where emerging technologies have the potential to greatly enhance public welfare. This is an area that OIRA continues to emphasize as we review new regulations.

Existing rules, too, warrant scrutiny to ensure that they achieve their benefits and goals without imposing unnecessary costs. Retrospective review, which the President has advanced through E.O. 13563 and E.O. 13610, 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. The Administration's retrospective review efforts to date will yield savings of over \$20 billion over the next five years. But as President Obama made clear in remarks at the Business Roundtable this past December, it is a critical part of this Administration's regulatory agenda moving forward that we do an even better job of finding and reforming regulations that are unduly burdensome or missing their mark.

To that end, OMB has convened a series of meetings with various stakeholders, including State and local government officials, community groups, and representatives from numerous industries, to better understand what approaches, cross-cutting themes, and particular areas of regulation could most usefully inform agencies' retrospective review efforts. Input from those meetings is being shared with agencies, which are concurrently engaging in their own stakeholder outreach efforts on retrospective review. E.O. 13610 directs agencies to submit biannual reports on the status of their retrospective review efforts to OIRA, and agencies filed their most recent retrospective review plans with OIRA last week. OIRA intends to complete its review of those plans within the next month, after which time they will be released. As agencies move forward, OIRA will continue to work closely with them to make additional progress in the plans the agencies will file this coming July, and throughout the next two years.

Finally, under E.O. 13609 OIRA has important responsibilities related to international regulatory cooperation. 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 through work in coordination with the Department of State and through activities in support of the U.S. Trade Representative's trade negotiations. 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 modest compared to

its key missions of regulatory review and implementing Federal information policy, it is nonetheless an increasingly important part of our agenda going forward.

In conclusion, Government activities can bring great benefits to Americans but can also carry costs. It is critical to ensure that paperwork and information collection do not impose undue burdens; that Federal agencies ensure privacy and base their decisions on high-quality evidence; and that beneficial regulation remains consistent with the overarching goals of job creation, economic growth, and public safety. These are central objectives of this Administration and the main tasks of OIRA. We look forward to continuing our efforts to meet these challenges.

Thank you for your time and attention. I would be happy to answer any questions you may have.

Howard A. Shelanski

Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget

Howard A. Shelanski was previously the Director of the Bureau of Economics at the Federal Trade Commission (FTC) and a professor at Georgetown University Law Center. From 2011 to 2012 he was Of Counsel to the law firm Davis, Polk & Wardwell. He was also the Deputy Director for Antitrust in the FTC's Bureau of Economics from 2009 to 2011. Mr. Shelanski was on the faculty at the University of California at Berkeley from 1997 to 2009. He served as Chief Economist of the Federal Communications Commission from 1999 to 2000 and as Senior Economist for the President's Council of Economic Advisers at the White House from 1998 to 1999. He was an associate with Kellogg, Huber, Hansen, Todd & Evans from 1995 to 1997. He served as a clerk for Justice Antonin G. Scalia of the United States Supreme Court, for Judge Louis H. Pollak of the U.S. District Court in Philadelphia, and for Judge Stephen F. Williams of the U.S. Court of Appeals for the D.C. Circuit. Mr. Shelanski received a B.A. from Haverford College, and a J.D. and Ph.D. from the University of California at Berkeley.