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## President Trump Issues Executive Order to Reduce Regulations and Regulatory Costs

On January 30, 2017, President Donald Trump issued an executive order (EO) entitled “Reducing Regulation and Controlling Regulatory Costs.” Key highlights include the following:

- The EO states that unless prohibited by law, when an executive department or agency (agency) promulgates a new regulation, whether through notice and comment rulemaking or otherwise, the agency must identify at least two existing regulations to be repealed.
- The EO seeks to limit the cost of regulations by directing the heads of all agencies that the total incremental cost of all new regulations, including repealed regulations, finalized in fiscal year 2017 cannot be greater than zero.
- The EO instructs the Director of the White House Office of Management and Budget (OMB) to develop guidance for agencies carrying out the EO. President Trump’s nominee to lead OMB, Rep. Mick Mulvaney (R-SC), has not been confirmed by the Senate. OMB is not expected to issue this guidance until after Rep. Mulvaney is confirmed.
- The EO clarifies that rules identified for elimination under the EO would still be subject to the Administrative Procedure Act (APA) when applicable. The APA generally requires a notice and comment period before existing regulations can be altered or repealed, or before new regulations can be issued.
- The EO does not apply to regulations related to foreign affairs, the military or national security, or to regulations related to agency organization, management or personnel. In addition, the OMB Director has discretion under the EO to exempt additional categories of regulations.

If you have any questions regarding this Sidley Update, please contact the Sidley lawyer with whom you usually work or

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