



U.S. Office of Management and Budget Issues Supplemental Guidance Document on Two-for-One Executive Order

On April 5, the U.S. Office of Management and Budget (OMB) Office of Information and Regulatory Affairs released updated guidance on President Donald Trump's Jan. 30 executive order (EO) requiring agencies to "identify at least two existing regulations to be repealed" for every newly proposed regulation. The guidance updates and supplements the interim guidance document that OMB released on Feb. 2 and for which the agency solicited public comments. For more information on the initial OMB guidance, please see the Health Matters update entitled [*White House Office of Management and Budget Issues Guidance on the "2 for 1" Executive Order: Lawsuit Follows.*](#)

The supplemental guidance document includes, among other provisions, the following:

- adds definitions for terms used in the guidance, including a definition of the regulatory actions subject to the two-for-one requirement and a definition of "offset" for purposes of calculating costs and counterbalancing savings in the regulatory scheme imposed by the EO.
- clarifies the scope of the two-for-one requirement and its application to rules that were proposed before the two-for-one requirement's effective date, but finalized afterward.
- clarifies that the two-for-one requirement does not apply to advance notices of proposed rulemaking.
- outlines significant details regarding how costs should be calculated and how cost savings should be measured for purposes of complying with the two-for-one requirement.
- provides additional guidance on which regulatory actions might qualify for full or partial exemption from the requirement.

The guidance also addresses a question regarding when required "deregulatory" actions must be finalized. OMB indicates that to the extent practicable, agencies should issue deregulatory actions before or concurrently with the new regulatory actions they are intending to offset. OMB notes that by the end of each fiscal year, each agency should have issued at least twice the number of deregulatory actions as regulatory actions and should have offset the cost of all final regulatory actions issued. For agencies that fail to do either

of these things where the two-for-one requirement applies, OMB requires that the agency submit, within 30 days of the end of the fiscal year, a plan to the OMB Director for coming into full compliance.

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

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