

Regulatory Reform: Two-for-One Status Report and Regulatory Cost Caps

Executive Order 13771: Final Accounting for Fiscal Year 2017
and Cost Caps for Fiscal Year 2018

This chart summarizes government-wide compliance with [Executive Order \(EO\) 13771](#), which requires federal departments and agencies to: (1) eliminate, on average, two regulatory actions for each new regulatory action implemented by the end of each fiscal year; and (2) not exceed a regulatory cost allowance or cap, set at zero net costs for Fiscal Year 2017. In the first eight months of the Administration, agencies have far exceeded the two-for-one and regulatory cap requirements.

- **22-1:** Agencies issued 67 deregulatory actions and only 3 regulatory actions.
- **Saved \$8.1 billion:** Agencies saved \$8.1 billion in regulatory costs, or \$570 million per year.

For a detailed list of regulatory and deregulatory actions completed in Fiscal Year 2017 see this [chart](#). EO 13771 implementation is further explained in the Office of Management and Budget Guidance [M-17-21](#). For questions about specific regulatory actions, please contact the relevant agency.

DEPARTMENTS AND AGENCIES	Fiscal Year 2017-Final Accounting				Fiscal Year 2018 Caps	
	Final Deregulatory Actions	Final Regulatory Actions	Annualized Costs/Cost Savings \$millions	Present Value Costs/Cost Savings \$millions	Annualized Costs/Cost Savings \$millions	Present Value Costs/Cost Savings \$millions
Department of Agriculture	5	0	-12.9	-183.6	-56.0	-800.0
Department of Commerce	7	0	-1.1	-15.7	-0.7	-10.0
Department of Defense	0	0	0.0	0.0	-70.9	-1012.9
Department of Education	0	0	0.0	0.0	-3.0	-42.9
Department of Energy	0	1	36.0	514.3	-80.0	-1142.9
Department of Health and Human Services	7	1	-0.4	-5.3	-28.7	-410.0
Department of Homeland Security	4	0	-37.9	-540.7	0.0	0.0
Department of Housing and Urban Development	0	0	0.0	0.0	-29.0	-414.3
Department of Interior	12	0	-80.5	-1150.3	-196.0	-2800.0
Department of Justice	0	0	0.0	0.0	-2.0	-28.6

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	Final Deregulatory Actions	Final Regulatory Actions	Annualized Costs/Cost Savings \$millions	Present Value Costs/Cost Savings \$millions	Annualized Costs/Cost Savings \$millions	Present Value Costs/Cost Savings \$millions
Department of Labor	7	0	-7.9	-112.9	-137.0	-1957.1
Department of State	0	0	0.0	0.0	-1.1	-15.7
Department of the Treasury	4	0	0.0	0.0	0.0	0.0
Department of Transportation	2	0	-21.8	-312.0	-35.0	-500.0
Department of Veterans Affairs	1	0	-1.9	-26.7	-2.4	-34.3
Environmental Protection Agency	16	1	-21.5	-306.9	-40.0	-571.4
Equal Employment Opportunity Commission	0	0	0.0	0.0	0.0	0.0
Federal Acquisition Regulation	1	0	-417.0	-5957.1	0.0	0.0
General Services Administration	0	0	0.0	0.0	0.0	0.0
National Aeronautics and Space Administration	0	0	0.0	0.0	0.0	0.0
Office of Management and Budget	0	0	0.0	0.0	0.0	0.0
Small Business Administration	1	0	-3.6	-51.4	-3.6	-51.4
Social Security Administration	0	0	0.0	0.0	0.0	0.0
United States Agency for International Development	0	0	0.0	0.0	-1.2	-17.1
<i>TOTAL</i>	67	3	-570.4	-8148.3	-686.6	-9808.6

The following small agencies did not issue either EO 13771 regulatory or deregulatory actions in Fiscal Year 2017 and set cost allowances of zero in Fiscal Year 2018.

American Battle Monuments Commission; Access Board; African Development Foundation; Commission on Civil Rights; Corporation for National and Community Service; Committee for Purchase from People Who Are Blind or Severely Disabled; Court Services and Offender Supervision Agency; Institute of Museum and Library Services; National Archives and Records Administration; National Endowment for the Arts; National Endowment for the Humanities; National Mediation Board; National Science Foundation; Office of Government Ethics; Office of Personnel Management; Pension Benefit Guaranty Corporation; Privacy and Civil Liberties Oversight Board; Peace Corps; Presidio Trust; Railroad Retirement Board; Special Inspector General for Afghanistan Reconstruction; Tennessee Valley Authority

Accounting Methods under EO 13771. The following provides a brief explanation of the methodology used in EO 13771 accounting. Further explanation of technical details is in "[Accounting Methods for Calculating Costs under Executive Order 13771.](#)"

- *Accounting Requirements.* In order to ensure consistent and comparable accounting of costs and cost savings, the Office of Information and Regulatory Affairs (OIRA) has worked with agencies to apply the same analytical assumptions to all regulatory actions. Because EO 13771 requires a regulatory cost cap, agencies need an accounting method that allows for a comparison of the costs of regulatory actions to the cost savings of deregulatory actions. To allow for cost comparisons, agencies have applied the same time horizon to all regulatory actions, and assumed that the impacts of regulations continue in perpetuity. Agencies have also applied a 7 percent discount rate and used 2016 dollars.
- *Why Use a Perpetual Time Horizon?* A perpetual time horizon reflects a general presumption, for the purposes of this accounting, that regulatory and deregulatory actions are permanent. Agencies will use a perpetual time horizon unless they offer a specific and credible reason why a particular regulation's analysis requires a unique time horizon.
- *Annualized Value v. Present Value.* Annualized value and present value are different forms of the same summary numbers. Present value is akin to the full value of a loan while annualized value is akin to equal periodic loan payments that occur once per year.
- *EO 12866 and EO 13771.* Accounting under each executive order serves different purposes, which means the values reported under each executive order may differ. More specifically, EO 12866 analysis focuses on particular rules, whereas EO 13771 considers costs and cost savings across all qualifying rules. In all cases, agencies will clearly explain the underlying assumptions that may lead to the presentation of different reported values.
- *EO 13771 Regulatory Actions.* EO 13771 regulatory actions are defined as those final actions that both impose costs greater than zero and qualify as "significant" under Section 3(f) of EO 12866 (see M-17-21, Q2). Accordingly, the regulatory actions listed in this table represent a subset of an agency's total regulatory actions.