

#### Agency Priority Goal Action Plan

# Reduce Regulatory Burden

#### **Goal Leader:**

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Fiscal Year 2019, Quarters 1 & 2

## Overview

### Goal Statement

Reduce Regulatory Burden by eliminating unnecessary Federal Rules (E.O. 13771) by September 30, 2019. The DoD Regulatory Reform Task Force is evaluated 716 existing, codified DoD regulations and made recommendations to the Secretary of Defense regarding their repeal, replacement, modification, or retention consistent with applicable law. DoD set a goal to reduce its existing regulations by 25 percent. DoD is now in the implementation phase. In this phase, DoD has a goal of promulgating 50 regulations a year to implement Task Force recommendations, and to reduce it existing regulations by 35 percent.

Challenge

- Reducing regulatory burden and costs on the American people through effective implementation of regulatory reform principles across DoD.
- Some regulations may require a change in legislation or interagency coordination before they can be modified or repealed.

Opportunity

- Support Secretary's 1<sup>st</sup> LOE by prioritizing the issuance of rules that support the DoD's highest priorities.
- Support Secretary's 3<sup>rd</sup> LOE by creating internal efficiencies by ensuring legitimacy and currency of its regulations; codifying business process improvements; reducing litigation risks and its costs; reducing internal manpower needed to maintain and issue regulations; reducing internal conflict and confusion of applicability of regulations by consolidating rules.

## **Goal Structure & Strategies**

To effect regulatory reform, the DoD Regulatory Reform Task Force was established under the Chief Management Office (CMO) to evaluate the DoD components' assessments of all 716 existing, codified DoD regulations. The Task Force also established three subgroups to aid in the review of the provisions of the Defense Federal Acquisition Regulation Supplement (DFARS), Army Corps of Engineers regulations, and the amendments to the Defense Health Agency TRICARE regulation. The subgroups provide initial recommendations to the Task Force, and the Task Force provides final recommendations to the Secretary of Defense on a quarterly basis for approval.

The DoD Task Force first convened in April 2017, and continued to meet on a bi-weekly basis to review scheduled DoD regulations, and make recommendations to the Secretary of Defense regarding their repeal, replacement, modification or retention. Once there is a determination on the recommendations, the DoD Components implement the regulatory or deregulatory actions that can be executed within existing authorities, and coordinate with the Office of Information and Regulatory Affairs and Congress when necessary. The Task force completed the review phase by December 31, 2018; however, the Task Force continues to met on a quarterly bases for implementation and regulatory program updates. It is estimated that the implementation phase will take 3 to 5 years.

# Summary of Progress – FY 2019 Q1 & Q2

During this quarter, DoD promulgated 24 regulations (repeals, replacements, modifications) toward its goal of promulgating 50 regulations per year, and reducing its existing regulations by 35 percent. Additionally, DoD continued to work on updates to its regulatory policies; however, certain updates have been delayed waiting on decisions from senior leadership.

To implement the Task Force repeal, replace, and modify recommendations, DoD will:

1) Update regulatory policies and provide training opportunities on the regulatory process.

Updates to regulatory policies are estimated for completion in 4Q FY 2019. Regulatory training opportunities will start 3Q FY 2019.

2) Provide information to DoD Components on the process for proposing legislation.

Information on proposing legislative changes provided as requested.

3) Bring an economist on-board to assist DoD Components with cost benefit analysis.

On-boarded an economist 1 March 2019.

Additionally, component dashboards have been developed for tracking and reporting component progress with promulgating their repealed, replaced, and modified regulations.

# **Key Milestones**

- By 31 Dec 2018, evaluate 716 existing, codified DoD regulations and make recommendations to the Secretary of Defense regarding their repeal, replacement, modification, or retention consistent with applicable law. DoD will reduce its existing regulations by 25 percent.
  - On 11 Apr 2019, the Deputy Secretary of Defense approved the final set of Task Force Recommendations. DoD Regulatory Reform is now in the implementation phase. DoD has a goal of promulgating 50 regulations a year to implement Task Force recommendations, and reduce existing regulations by 35 percent. This is 10 percent above its original goal of reducing existing regulations by 25 percent.

Milestone Summary									
Key Milestone	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Comments				
Complete review of 62 regulations	Q3 FY17	Complete		Joo Chung					
Complete review of 139 regulations	Q4 FY17	Complete	77 reg reviews	Joo Chung					
Complete review of 241 regulations	O1 FY18	Complete	102 reg reviews	Joo Chung					
Complete review of 328 regulations	Q2 FY18	Complete	87 reg reviews	Joo Chung	4 regs deferred for further review				
Complete review of 448 regulations	Q3 FY18	Complete	120 reg reviews	Joo Chung	3 regs deferred for further review				
Complete review of 605 regulations	O4 FY18	Complete	157 reg reviews	Joo Chung	2 regs deferred for further review				
Complete review of 716 regulations	Q1 FY19	Complete	111 reg reviews	Joo Chung					

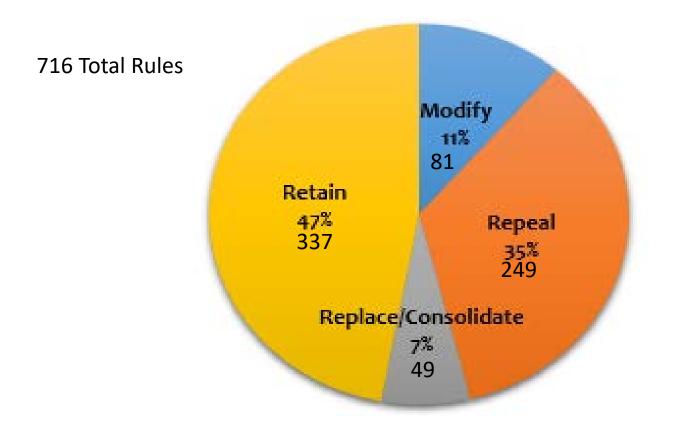
# **Key Milestones**

APG 3.1.6: Reduce Regulatory Burden by eliminating unnecessary Federal Rules (E.O. 13771)

Performance Measures (PM)	Q1 2019 Target	Q1 2019 Actual	Q2 2019 Target	Q2 2019 Actual	Goal Achieved?
PM 3.1.6.1: Implement 50 or more regulatory actions that address recommendations by the Regulatory Reform Task Force	12.5 regs	5 regs	12.5 regs	24 regs	Yes
PM 3.1.6.2: Offset EO 13771 significant regulatory actions issued after January 20, 2017.	1%	2%	1%	0	Yes
PM 3.1.6.3: Increase number EO 13771 deregulatory actions issued after January 20, 2017.	2%	5%	2%	0	Yes
PM 3.1.6.4: Issue updated regulatory guidance that streamlines process and promotes accountability	Draft Guidance	Close to completion	Coordinate guidance	Not Started	No

While DoD has identified and published several repeal rules, many of these repeals fall into the category of administrative cleanup and do not count as EO 13771 deregulatory actions. Additionally, many of the Department's rules are fully or partially exempt or not subject to the requirements of EO 13771.

### FINAL TASK FORCE RECOMMENATOINS



To ensure data accuracy and reliability, DoD defined a set of procedures for reviewing the accuracy of regulatory data consistently, trained employees on current policies and processes to ensure regulatory compliance, performed ongoing data audits, met with legal counsel to ensure regulatory compliance, and implemented ongoing monitoring of regulatory information into our current policies and procedures.

At the start of the DoD Task Force, the DoD Regulatory Program staff compiled a list of the Department's existing, codified regulations and a review schedule. In advance of the Task Force meetings, DoD Regulatory Program staff held a workshop with the component action officers and attorneys to discuss issues/concerns with the regulations and advise on presentations/ recommendations for the Task Force. Disposition forms documented DoD Task Force member recommendations. Task Force meeting minutes were recorded by the OCMO support staff and reviewed by the Chair or designee. Progress reports and final recommendations were prepared by the DoD Regulatory Program staff. When preparing the progress reports and final recommendations, the DoD Regulatory Program staff referred to the component presentation materials, meeting minutes and disposition forms to ensure accuracy of the data. The package was then coordinated with the Task Force members, the Office of General Counsel, and staffed through senior leaders for approval by the Secretary of Defense. During the implementation phase, regulations will go through normal rulemaking processing procedures, and comply with executive and legislative requirements and OMB and DoD policies for promulgating regulations.

## **Contributing Programs**

<u>Internal</u>: DoD Components assessed regulations under their purview to determine if such regulations should be repealed, replaced, modified, or retained to alleviate unnecessary regulatory cost and burden on the public. Three subgroups of the Task Force assisted in the review of the provisions of the Defense Federal Acquisition Regulation Supplement (DFARS), the regulations of the Army Corps of Engineers, and the amendments to the Defense Health Agency TRICARE regulation.

As the Task Force evaluated existing DoD acquisition regulations, it coordinated with and considered the recommendations of the Advisory Panel on Streamlining and Codifying Acquisition Regulations. The Panel, as directed by section 809 of the FY 2016 NDAA, reviewed the acquisition regulations applicable to the Department with a view toward streamlining and improving the efficiency and effectiveness of the defense acquisition process and maintaining a defense technology advantage.

The Army Corps of Engineers evaluated the Nationwide Permit rule to comply with the requirements of Executive Order 13783, "Promoting Energy Independence and Economic Growth," dated March 28, 2017. This Executive Order requires a review of the Department's regulations that potentially burden the development or use of domestically produced energy resources, with particular attention to oil, natural gas, coal, and nuclear energy resources.

<u>External</u>: During the implementation phase of this initiative, departmental rules are submitted to the Office of Management and Budget (OMB) for review and approval in accordance with the requirements of Executive Order 12866, "Regulatory Planning and Review," dated September 30, 1993. During the OMB review period, OMB forwards the rules for interagency coordination.

## Stakeholder / Congressional Consultations

The DoD Task Force published four notices in the *Federal Register* soliciting input from the public on which regulations should be repealed, replaced, or modified. One notice was published for the primary Task Force and for each of the subgroups. These comments are being taken under consideration as the DoD Components implement the approved recommendations of the Task Force. DoD also coordinates with OMB as needed.