The Daily Dish

Expanding the Scope of OIRA Review

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Eakinomics: Expanding the Scope of OIRA Review

The Trump Administration is evidently considering the scope of the regulatory review provided by the Office of Information and Regulatory Affairs (OIRA) within the Office of Management and Budget (OMB). Specifically, OIRA Administrator Neomi Rao indicated the administration is considering expanding its review beyond the executive agencies (e.g., Treasury, Interior) to include independent agencies.

There are over 40 such agencies currently exempted from the review process. While within the president's powers, it would be highly controversial to review the likes of the Federal Reserve, the Central Intelligence Agency, the Federal Trade Commission, the Securities and Exchange Commission, or many others. On the other hand, it's a bit harder to anticipate a public outcry over OIRA review of the Administrative Conference of the United States, the Commission on Presidential Scholars, the Denali Commission, or the Merit Systems Protection Board. Indeed, as AAF's Daniel Bosch, Daniel Goldbeck, and Philip Rossetti point out, one strong candidate for inclusion is the Nuclear Regulatory Commission (NRC) because its safety-oriented mission is similar to other reviewed agencies (e.g., the Environmental Protection Agency) and past research from AAF shows that recent regulations are costly but have marginal safety value.

OIRA review would have some minor costs, but there would be four areas of benefits. First, the transparency of the impact of NRC rules would be improved by the requirement to publish the benefits and costs of its rules. AAF research shows that NRC rules impose substantial compliance costs, yet the public is not aware of these impacts because the information is either not readily available or not produced by the NRC at all.

Next, OIRA review could help NRC more closely align its regulatory burden with the risk its regulations seek to mitigate. A third benefit would be better coordination with other

agencies that overlap with the NRC – the EPA, Department of Energy, and Department of Defense – in areas like nuclear non-proliferation and waste storage.

The final benefit is greater public accountability. The president is directly accountable to the public, so OIRA review would bring greater public accountability by requiring significant rules to be well-founded, cost-effective, and consistent with the president's policy goals.

In sum, looking at the NRC suggests that there are circumstances in which expanding the scope of OIRA review would be a sensible improvement in regulatory policy, improving the quality of regulation at relatively minor costs.