



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
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ADMINISTRATOR  
OFFICE OF  
INFORMATION AND  
REGULATORY AFFAIRS

M-17-31

MEMORANDUM FOR: REGULATORY REFORM OFFICERS AT EXECUTIVE  
DEPARTMENTS AND AGENCIES

FROM: Neomi Rao, Administrator  
Office of Information and Regulatory Affairs

SUBJECT: FY 2018 Regulatory Cost Allowances

Section 3(d) of Executive Order 13771 “Reducing Regulation and Controlling Regulatory Costs” (82 FR 9339) provides that the Director of the Office of Management and Budget (OMB) shall identify a regulatory cost allowance for each agency for FY 2018. The Order further provides that “[n]o regulations exceeding the agency’s total incremental cost allowance will be permitted in that fiscal year, unless required by law or approved in writing by the Director.”

This memorandum directs executive departments and agencies to prepare a proposed total incremental cost allowance for FY 2018 to inform the Director’s determinations under Section 3(d) of EO 13771. Each agency’s proposed FY 2018 cost allowance should be informed by its submissions for the Fall 2017 Regulatory Plan and Unified Agenda of Federal Regulatory and Deregulatory Actions, which are due on September 18, 2017. Each agency should include along with its proposed FY 2018 cost allowance, an explanation of how the agency developed its proposed allowance and how that proposed allowance is consistent with the administration’s regulatory policies and priorities established in Executive Order 13771, as well as Executive Order 13777 “Enforcing the Regulatory Reform Agenda” (82 FR 12285).

OMB, through the Office of Information and Regulatory Affairs (OIRA), will review each agency’s proposed FY 2018 cost allowance for consistency with the regulatory policies and priorities set forth in Executive Orders 13771 and 13777, including the goal “to lower regulatory burdens on the American People by implementing and enforcing regulatory reform.” Executive Order 13777 also explains that “[i]t is the policy of the United States to alleviate unnecessary regulatory burdens placed on the American people.” Finally, Executive Order 13771 provides that this Administration’s policy is “to be prudent and financially responsible in the expenditure of funds, from both public and private sources.”

In light of these policies, OMB expects that each agency will propose a net reduction in total incremental regulatory costs for FY 2018. OMB expects to publish each agency’s final total incremental cost allowances in conjunction with the 2017 Fall Regulatory Plan and Agenda.

Please submit your department or agency’s proposed total incremental cost allowance for FY 2018 to your OIRA Desk Officer, along with any supporting explanation, at the time you make your submissions for the Fall 2017 Regulatory Plan and Unified Agenda of Federal Regulatory and Deregulatory Actions.