Description of document:	Initial Report of the Regulatory Reform Task Force (RRTF) to the Secretary of Commerce as required by Executive Order 13777, 2017
Requested date:	2017
Release date:	22-July-2019
Posted date:	09-March-2020
Note:	No formal cover letter provided
Source of document:	Department of Commerce Freedom of Information Act Officer Office of Privacy and Open Government 14th and Constitution Avenue NW Mail Stop 61013 Washington, DC 20230 Email: eFOIA@doc.gov FOIAonline

From: no-reply <no-reply@foiaonline.gov>
Sent: Mon, Jul 22, 2019 4:07 pm
Subject: Bparsons@doc.gov
DOC-IOS-2017-001387 has been processed with the following final disposition: Partial Grant/Partial Denial.

Records were released to the public as a result of this request. You may retrieve these records immediately using the following link: View Records Over the next 2 hours, these records are also being added to FOIAonline's search pages, further enabling you to retrieve these documents associated with your FOIA request at any time.

DEPARTMENT OF COMMERCE
REGULATORY REFORM TASK FORCE – INITIAL REPORT

TO: SECRETARY WILBUR ROSS
WENDY TERAMOTO, SENIOR ADVISOR TO THE SECRETARY
ERIC BRANSTAD, SENIOR WHITE HOUSE ADVISOR
EARL COMSTOCK, DIRECTOR OF POLICY AND STRATEGIC PLANNING
MICHELLE MCCLELLAND, PERFORMING THE DUTIES OF GENERAL COUNSEL

FROM: JAMES UTHMEIER, SENIOR COUNSEL TO THE GENERAL COUNSEL
REGULATORY REFORM OFFICER
REGULATORY REFORM TASK FORCE

SUBJECT: UPDATE RE: REGULATORY REFORM TASK FORCE

DATE: MAY 25, 2017

I. Task Force Introduction and Timeline

On March 15, 2017, in accordance with Executive Order 13777 (Enforcing the Regulatory Reform Agenda), the Department of Commerce ("Department" or "Commerce") Regulatory Reform Task Force ("Task Force") was established. Subsequently, the Task Force has held frequent meetings to discuss the identification, removal, and streamlining of regulations that are potentially obsolete, ineffective, costly, or unduly burdensome to both government and private sector operations. The Task Force has worked to incorporate into its analyses all presidential directives relating to regulatory reform. Primarily, the Task Force has focused on Executive Order 13771 which requires the agency to offset the costs of any significant regulation and to eliminate two existing rules for every new significant rule ("2 for 1 requirement"). The Task Force is also coordinating its efforts with those handling other deregulatory initiatives such as the Presidential Memorandum promoting the streamlining of permitting and reduction of regulatory burdens for domestic manufacturers.

On or before April 5th, for planning purposes, all Department bureaus reviewed existing regulations and categorized them as 1) discretionary, or 2) required by statute or judicial order. During April, members of the Task Force also reviewed and responded to comments from the manufacturing sector pertaining to the Department's Request For Information ("RFI"), directed

to all stakeholders, regarding the regulatory burdens on their business operations. On May 3rd, chief counsels for each bureau then submitted to the Task Force recommended initial rules for removal or modification. The Task Force is now reviewing all recommendations.

Currently, bureau chief counsels and members of the Task Force are also considering recommendations for statutory changes to further advance regulatory reform at the Department, as well as ideas for ongoing reform initiatives and improved efforts to advance business growth through the elimination of burdensome regulations. Initial statutory proposals were submitted to the Task Force in early May.

This Task Force report includes a preliminary list of all regulations recommended for removal, as well as proposals for ongoing strategies to ensure that deregulation and regulatory streamlining initiatives continue to be a priority for the Department, and a means to advance American business interests.

II. Candidates for Removal or Modification

Department bureaus conducted an initial review of existing regulations codified in the Code of Federal Regulations and identified regulations that are obsolete, ineffective, costly, or overly burdensome. The regulations listed below comprise the Task Force's initial proposals for removal and cost-savings reform.

A couple of points about what is and is not included in the list are worth noting. First, while several of the regulations listed would not, if removed be expected to substantially reduce the burden on the regulated community, they have nonetheless been identified for elimination because they are "outdated, unnecessary, or ineffective" regulations that are encompassed by the directives in EO 13777. [redacted]

Content withheld under (b)(5) exemption

[redacted] Second, omitted from the list of potential deregulatory actions, for the most part, are NOAA fishery regulations, even though these are a consistent source of regulatory reform that reduces burdens on fishermen.[1] Further planning is needed, and the Task Force intends to seek public input, to determine how best to improve the fishery regulations.

[1] Under the Magnuson Stevens Act, 16 U.S.C. §§ 1801 et seq., fisheries are managed under Fishery Management Plans with implementing regulations. Eight regional fishery management councils around the country develop the Plans through a public process, then after a further public process, NOAA issues the regulations to implement the Plans. The councils are comprised of individuals nominated by state governors and appointed by the Secretary of Commerce, who represent commercial and recreational fishing interests, environmental NGOs, and academic institutions. In addition, council members include state, territorial, and federal fishery management officials. The councils hear continuously from the relevant communities about ways to adjust and update their fishing rules to better meet the long term goal of building biologically sustainable fisheries while also keeping the fishing

❖ **United States Patent and Trademark Office ("USPTO")**

37 CFR 1.351 – This rule provides that amendments to USPTO's regulations will publish in the USPTO's *Official Gazette* as well as in the Federal Register. USPTO does this with all regulatory amendments, in compliance with the Administrative Procedure Act ("APA") and Office of Management and Budget ("OMB") guidance. Therefore, this regulation merely reiterates that practice, is unnecessary, and therefore is not needed.

Content withheld under (b)(5) exemption

[redacted]

37 CFR 2.91, 2.92, 2.93, 2.96, and 2.98 – These five regulations govern the declaration and institution of a trademark interference. The USPTO has been unable to identify a situation within the last forty-three years in which a petition to the Director of the USPTO to declare an interference was granted. These regulations could thus be removed because, in the unlikely event a need for an interference arose, it would still be possible for someone to file a petition with the Director seeking institution of an interference under 37 CFR 2.146—a regulation more generally involving petitions to the Director. Such removal would not affect any services currently used by stakeholders.

Content withheld under (b)(5) exemption

[redacted]

community and industry participants economically viable. NOAA regularly issues fishing regulations that reduce burdens on fishermen and other regulated entities. However, guidance issued by OMB for implementing EO 13771 specifically directs that "routine" fishery regulations do not require offsetting but also cannot count as cost savings or be used for satisfaction of the 2 for 1 requirement when they reduce burdens. NOAA and OMB are currently discussing the scope of fishery management actions that appropriately can be considered "routine."

Content withheld under (b)(5) exemption

[redacted]

37 CFR 42.102(b) and 42.202(b) – These sub-sections within USPTO regulations provide that the Director of the USPTO can impose a limit on the number of *Inter Partes* Reviews and Post-Grant Reviews, respectively, during the first four years the AIA is in effect. These sub-sections therefore expired on September 16, 2016, and can be removed because they are no longer necessary.

37 CFR 1.79 – This regulation prohibits reservation clauses, *i.e.*, a clause in a pending patent application reserving for a future application subject matter disclosed but not claimed in the pending application. This prohibition is implicit in the language of 35 U.S.C. §§ 102 and 120. If further clarification of this prohibition were included in the Manual of Patent Examining Procedure (MPEP), this regulation could be removed as unnecessary.[3]

37 CFR 1.127 – This regulation authorizes a petition to the Director of the USPTO under 37 CFR 1.181 for a patent applicant to seek review of a refusal by the primary examiner to enter an amendment. The authority to submit this petition is implicit in the language of 37 CFR 1.181. If further clarification of this petition were included in the Manual of Patent Examining Procedure (MPEP), this regulation could be removed as unnecessary.[4]

[redacted]

[3] Though removal of this rule will aid in Commerce's efforts to satisfy the 2 for 1 rule, it should be noted that, in striking regulations that have gone through the expense and time of the public comment process, the agency loses some ability in the future to assert that it is operating in an open and transparent manner. In general, the public stands a better chance of holding an agency accountable for its actions when the agency has laid out a process via regulation rather than delineating a process in a Manual. That said, the Task Force thinks the benefits of removing 37 CFR 1.79 outweigh any concerns.

[4] Same comment as above.

Summary: USPTO has identified several regulations that are obsolete or unnecessary for execution of its responsibilities. While the proposed rules for removal are not expected to lead to enormous cost savings, they represent helpful candidates for the Department as it endeavors to find rules to eliminate for compliance with EO 13771 (2 for 1), and their removal would remove unnecessary rules from the Federal Register and thus alleviate burdens on the agency and its stakeholders.

❖ **National Oceanic and Atmospheric Administration ("NOAA")[5]**

Framework Adjustment 28 to the Atlantic Sea Scallop Fishery Management Plan (BG46) – This action, finalized in March 2017, set management measures for the scallop fishery for the 2017 fishing year, including the annual catch limits and annual catch targets for the limited access fleets, as well as days-at-sea allocations and sea scallop access area trip allocations. In doing so, the action opened several new areas to scallop harvest. [redacted]

Content withheld under (b)(5) exemption

Regulatory Amendment to Revise the State Waters Scallop Exemption Program for the States of Maine and Massachusetts under the Atlantic Sea Scallop Fishery Management Plan (BG70) – States with scallop fisheries and conservation programs that do not jeopardize biomass and fishing mortality and other objectives of the Scallop Fishery Management Plan may be eligible for an exemption to the Plan in state waters. This action would revise the State Waters Exemption Program to allow vessels that hold both a Massachusetts state scallop permit, and either a Limited Access General Category Individual Fishing Quota or Limited Access General Category Northern Gulf of Maine Federal scallop permit, to fish entirely within state waters—once full harvest of the Federal Total Allowable Catch closes the Northern Gulf of Maine Management Area for the remainder of the fishing year. This action would also modify the State Waters Exemption for the State of Maine to include vessels that have both a state scallop permit and a Limited Access General Category Individual Fishing Quota permit. Currently, only Limited Access General Category Northern Gulf of Maine permit holders are part of the exemption in Maine. Vessels would not be exempt from any other Federal restrictions. Because the Northern Gulf of Maine Federal Total Allowable Catch is set based only on the Federal portion of the resource, and both Maine and Massachusetts have a scallop management program in state waters, we do not expect

[5] EO 13771 does not require NOAA to offset the cost or "routine fishing rules" issued pursuant to a Fishery Management Plan. OMB is taking a position that *all* fishing actions taken in relation to a Fishery Management Plan are routine and therefore can never be counted as cost-saving or deregulatory. NOAA is working to convince OMB that some deregulatory actions enacted through the Councils and a Fishery Management Plan are not routine and should be counted as cost-saving.

Content withheld under (b)(5) exemption

[redacted]

this exemption to compromise the Fishery Management Plan's limits on catch and mortality.

Content withheld under (b)(5) exemption [redacted]

Capital Construction Fund; Fishing Vessel Capital Construction Fund Procedures (AW57) – This action would amend Fishing Vessel Capital Construction Fund (CCF) Program regulations to simplify and clarify them and to ease restrictions on vessel reconstruction to promote fleet safety, reliability, and efficiency. Specifically, this action eliminates the minimum cost and maximum allowable completion time for reconstruction projects, the requirement for a minimum annual deposit, and the reconstruction requirement attached to used vessel acquisition. It also prohibits any CCF project from increasing fisheries' harvesting capacity. Current regulations require an annual deposit of 2 percent of the anticipated cost of the CCF objective, that a used vessel acquired with CCF funds be reconstructed within 7 years of the acquisition date, that reconstruction projects cost a minimum of either $100,000 or 20 percent of acquisition cost, and that reconstruction projects be completed within 18 months of their commencement [redacted]

Content withheld under (b)(5) exemption [redacted]

Vessel Monitoring Systems; Requirements for Enhanced Mobile Transceiver Unit and Mobile Communication (BG34) – This action proposes to update the regulations that require enhanced mobile transceiver unit type-approval holders to renew their type-approvals. All vessels participating in a NOAA Vessel Monitoring System program are required to acquire a NMFS-approved enhanced mobile transceiver unit to comply with the Vessel Monitoring System requirements. The enhanced mobile transceiver units are type-approved for use in the program by the NMFS Office of Law Enforcement pursuant to the specifications in regulations. Under the existing regulations, a type-approval is valid for three years and a type-approval holder must seek renewal of the type-approval prior to the end of the type approval period. This proposed amendment to current regulations eliminates the type-approval renewal requirement. [redacted]

Content withheld under (b)(5) exemption [redacted]

Commerce Trusted Trader Program (BG51) – This rule will establish a voluntary Commerce Trusted Trader Program for importers, aiming to provide benefits such as reduced targeting and inspections and enhanced streamlined entry into the United States for certified importers. Specifically, this rule would establish the criteria required of a Commerce Trusted Trader, and identify specifically how the program will be monitored and by whom. It will require that a Commerce Trusted Trader establish a secure supply chain and maintain the records necessary to verify the legality of all designated product entering into U.S. commerce, but will excuse the Commerce Trusted Trader from entering that data into the International Trade Data System prior to entry, as required by Seafood Import Monitoring Program (finalized on December 9, 2016). The rule will identify the benefits available to a Commerce Trusted Trader, detail the application process, and specify how the Commerce Trusted Trader will be audited by third-party entities while the overall program will be monitored by the National Marine Fisheries Service. [redacted]

Content withheld under (b)(5) exemption

Content withheld under (b)(5) exemption

[redacted]

Consolidation of National Marine Sanctuary Permitting Regulations at 15 CFR Part 922 – NOAA proposes to consolidate regulations that implement the National Marine Sanctuaries Act (NMSA). The NMSA implementing regulations include permitting regulations of general applicability to all National Marine Sanctuaries within the system and sanctuary-specific permitting regulations for each individual sanctuary. The Office of National Marine Sanctuaries could reorganize and consolidate these permitting regulations, including permit categories, procedures, and review criteria, into a single subpart in the regulations of general applicability. This would eliminate the redundancy of having largely similar, but separate, site-specific permitting regulations, and it would improve consistency among sites, while still allowing specific exceptions where needed. The permitting regulations of general applicability are codified at 15 CFR 922.48. The site-specific permitting regulations are codified at 15 CFR 922.62, .74, .83, .93, .107, .113, .123, .133, .143, .153, .166., .167, and .195. Cost savings to be determined.

Content withheld under (b)(5) exemption

[redacted]

[7] The Trusted Trader Program rule's characterization as a *cost savings rule* is subject to OMB's interpretation. The Task Force views this as a cost savings rule, despite the application and fee requirements it imposes, because it removes costs to industry currently proscribed by the Seafood Traceability Import Monitoring Rule. It is possible that some at OMB would not agree with this perspective.

Content withheld under (b)(5) exemption

[redacted]

Timing of Accountability Measure-Based Closures Amendment (RIN 0648-BG29) – This final rule modified the implementation date for accountability measure-based closures (in the event of overharvest) for all species and species groups managed by the Caribbean Fishery Management Council. This rule is expected to minimize the socio-economic impacts of closures, while maintaining stock sustainability. The rule would modify the timeframe for the implementation of accountability measure-based closures in the event of an overage of the annual catch limits for a species or species complex managed by the Caribbean Fishery Management Council, except for queen conch. The rule attempts to keep the fishery open for the Christmas market season by calculating and announcing any closed season ahead of the beginning of the affected fishing year in which an accountability measure will be applied. Accountability measure-based closures are then applied starting from September 30 and counting backward toward January 1 for the number of days necessary to achieve the required reduction in landings. If the length of the required fishing season reduction exceeds the period from January 1 through September 30, any additional closure period would be applied starting on October 1 forward to the end of the year. NOAA is still working to determine cost savings for this rule.

Framework Action to Modify Commercial Permit Restrictions for King and Spanish Mackerel in the Gulf of Mexico and Atlantic Federal Waters (BG56) – This Framework Action would remove current restrictions on fishing for and retaining the recreational bag limit for king and Spanish mackerel on vessels with a federal commercial permit for king and Spanish mackerel when the vessel is on a recreational trip and the applicable commercial harvest season is closed. NOAA is still working to determine cost savings for this rule.

Content withheld under (b)(5) exemption

Summary: NOAA has identified several actions to remove or modify its existing regulations. Such actions would alleviate significant burdens on industry [redacted] NOAA is still working to identify other areas where reform might be possible.

❖ **Economic Development Administration ("EDA")**

13 CFR 300.3 – EDA proposes to eliminate the definition of "Regional Innovation Clusters or RICs." The term is separately defined in 13 CFR 312.3 using different terms. Eliminating the definition removes duplication while reducing the potential for confusion.

13 CFR 301.6 – This regulation describes the agency's procedures for providing supplementary grants under section 205 of EDA's enabling statute, the Public Works and Economic Development Act of 1965 ("PWEDA"). The regulation is confusing and does not provide any guidance in addition to what is already in section 205.

13 CFR 301.7, 301.8, 301.9, 303.3, 305.3, 306.3, 306.6, 307.5, 315.5 – These regulations describe the process for applying for various EDA grants under PWEDA or the Trade Act of 1974, and the evaluation and selection criteria EDA will apply when reviewing those applications. Portions of these regulations are more appropriately communicated to potential applicants through an EDA Notice of Funding Availability (NOFA) which specifically addresses the program requirements for applying for grants in a particular fiscal year, which may change from year to year to reflect Administration priorities. Moreover, those interested in the specific requirements of such grants are generally aware of looking to grants.gov for those requirements rather than in the regulations. EDA has retained portions of some of these regulations that direct applicants to look to the NOFA for specific requirements and that establish certain procedural steps that require regulations (e.g., EDA does not accept appeals of denied applications and limits on indirect costs).

13 CFR 301.11 – This regulation generally describes that EDA may fund both construction and non-construction (e.g., business support services) infrastructure necessary to meet a region's economic development needs and goals. Eliminating the list of examples that was provided in this regulation provides more flexibility to adapt to new types of innovative infrastructure developed in response to changing economic circumstances (e.g., broadband). Further, a list of examples of the types of infrastructure EDA may fund is more appropriately communicated to potential applicants through an EDA NOFA rather than regulation.

13 CFR 302.4, 302.5, 302.14, 315.12, 315.13 – These regulations describe the responsibilities of EDA grant recipients to maintain records, how information supplied to EDA may be subject to the public release under the Freedom of Information Act or Privacy Act, how government auditors may need access to various records, and that grant recipients are subject to the government-wide relocation assistance and land acquisition policies. These regulations can be removed because notice is already provided to grant recipients through other Department of Commerce-wide or

government-wide regulations as well as in specific documentation EDA provides to each grant recipient.

13 CFR 302.11 – This regulation describes how EDA maintains an economic development information clearinghouse. EDA is already required to maintain such a clearinghouse under section 502 of PWEDA and the regulation adds nothing of value to this pre-existing requirement.

13 CFR 302.12 – This regulation provides that EDA will only award grants if the project will be properly and efficiently administered, operated and maintained. Not only is this a pre-existing government-wide requirement, but section 504 of PWEDA already contains this requirement. The regulation adds nothing of value to these pre-existing requirements.

13 CFR 303.5 – This regulation describes how EDA planning grant funds may be used for various administrative expenses related to developing short- and long-term planning documents. Eligibility of these costs are already addressed in government-wide cost principles in 2 CFR Part 200.

13 CFR 305.12 – This regulation described requirements for erecting a sign indicating Federal support for a particular project. A regulation is not required for this sort of requirement. EDA can and already does notify particular grantees of this particular requirement upon time of award.

13 CFR 305.14 – This regulation states that grant recipients that occupy an EDA-funded project prior to final acceptance do so at their own risk and must follow state and local law in doing so. Both of these requirements apply regardless of whether EDA has a regulation to that effect.

13 CFR Part 307, Subpart B – These regulations govern EDA grants to establish revolving loan funds, including the award criteria, reporting procedures, and compliance requirements for such grants. They should be modified and streamlined to allow EDA to more effectively monitor revolving loan fund grants by transitioning to a risk-based compliance approach. Such changes would result in reduced reporting, compliance and monitoring costs of approximately $950,000 annually. EDA has already solicited public comment on these proposed changes with a generally positive response, and is ready to begin the process of finalizing the regulations.[8]

[8] The streamlined regulations that were released for public comment would also implement important, but less comprehensive, updates to other parts of EDA regulations.

13 CFR Part 313 – This part implements the Community Trade Adjustment Assistance program under the Trade Act of 1974. When Congress eliminated the program in 2011 (section 222 of Pub. L. 112-40), the regulations became unnecessary. Since the program is already defunct, there are no cost savings associated with this removal.

13 CFR 315.4, 315.17 – Portions of 315.4 and all of 315.17 describe requirements related to implementation of section 265 of the Trade Act of 1974, assistance to entire industries. EDA has only received appropriations to provide assistance to individual firms, never entire industries. As such, the regulations related to assistance to industries are not needed and serve to confuse potential applicants that such a program may be available when it is not.

Summary: EDA has identified a number of regulatory provisions that are obsolete or unnecessary for execution of its responsibilities. While the elimination of these provisions is not expected to lead to significant, measurable cost savings, maybe more importantly this streamlining effort will eliminate excessive verbiage and "legalese" from our regulations, thus supporting EDA's customer-centric approach by alleviating potential confusion on the part of EDA's grant applicants, existing grantees and other stakeholders. Additionally, EDA has identified changes to the regulations governing grants to establish revolving loan funds that would result in cost savings to EDA and grant recipients of approximately $950,000 annually.

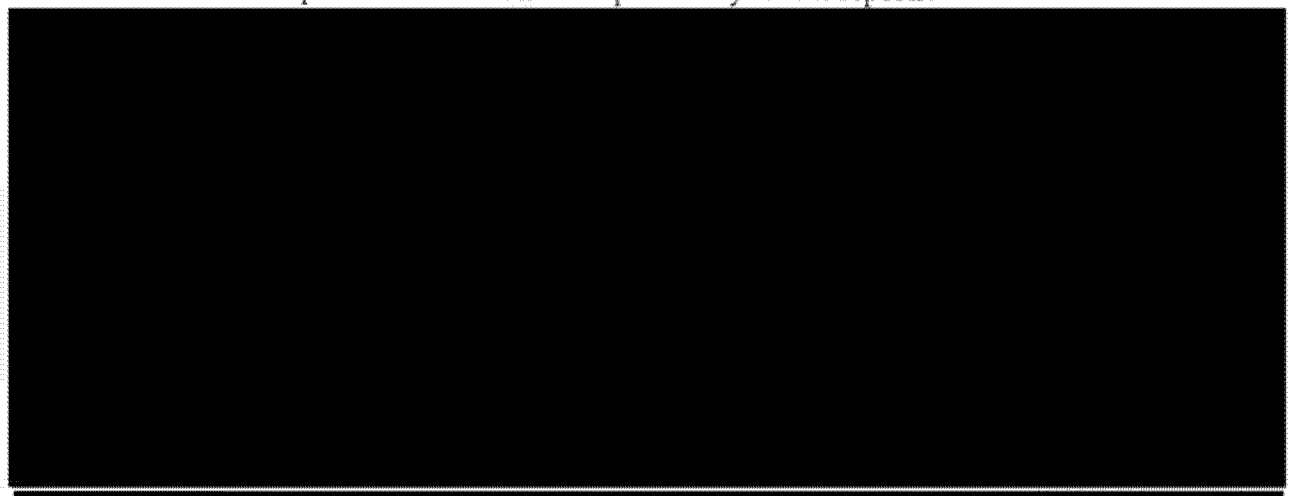
- **International Trade Administration ("ITA")**

15 CFR 1300.1 – East-West Foreign Trade Board, Reports on Exports of Technology: This regulation serves to comply with reporting requirements of section 411 of the Trade Act of 1974, (19 U.S.C. 2441) for exports of technology to nonmarket economy countries. However, section 411 of the Trade Act of 1974 was repealed in 1998 and 1999 (with a miscellaneous correction). Pub. L. 105–362, title XIV, § 1401(b)(2), Nov. 10, 1998, 112 Stat. 3294; Pub. L. 106–36, title I, § 1001(a)(4), June 25, 1999, 113 Stat. 130. Therefore, ITA does not think this regulation needs to be retained. The East-West Foreign Trade Board was abolished by the Reorg Plan of 1979. 15 CFR 1300.1 only deals with the reporting requirements discussed above, though required under the same section of the statute; it appears the regulation could be deleted.

15 CFR 310 – The regulations on international expositions, 15 CFR part 310, respond to statutory directives in 22 U.S.C. chapter 40. The first directive is a requirement for a report to the President by the Secretary of Commerce when sponsors of an international exposition proposed to be held in the United States apply for federal recognition (28 U.S.C. 2802(a)). The second directive is a requirement that the Secretary of Commerce prepare a plan, in cooperation with other agencies, for federal participation in an international exposition to be held in the United States, when Congress has authorized such participation (28 U.S.C. 2803(a)(3)). The Secretary's plan must

consider whether a Federal pavilion should be constructed, and if a pavilion is to be constructed, the statute imposes additional requirements on the Secretary related to the design and use of the pavilion. The Secretary submitted a report to the President under 22 U.S.C. 2802(a) and 15 CFR 310.5 in November 2016 for the Minnesota application. Prior to that report, no action had been taken under the regulations for decades. As far as ITA is aware, no action has ever been taken by a Secretary of Commerce relating to federal participation in an international exposition to be held in the United States. It's difficult to tell if and when the regulations might have further application. USG policy on international expositions, including whether to re-join the Bureau of International Expositions, is subject to change. The application of the Minnesota group for Expo 2023 might or might not succeed. Regardless, the current regulations were written in 1975, slightly amended in 1981, and would benefit from an update reconsidering what information would best allow the Secretary to achieve the goals of the statute without undue burden on an applicant, making the application process simpler and clearer, and reconsidering what office or offices within the Department should have responsibility for the reports.

Content withheld under (b)(5) exemption



Content withheld under (b)(5) exemption

❖ **Bureau of Industry and Security ("BIS")**

Section 746.7 of the EAR – This rule, which is known as the "Libya installed base rule", was put in place several years ago when Libya was first removed from the list of state sponsors of terrorism. The rule has now outlived its usefulness and should be eliminated.[9]

[9] In light of the recent terrorist attack in Manchester, removal of this rule should likely be reconsidered.

Summary: BIS is still working to make policy decisions about potential rules for elimination or streamlining. BIS's ability to eliminate regulations is limited due to the non-discretionary and national security-oriented aspect of many BIS rules.

- National Telecommunications & Information Administration ("NTIA")

Content withheld under (b)(5) exemption

[redacted]

Content withheld under (b)(5) exemption

[redacted]

Content withheld under (b)(5) exemption

[redacted]

III. Statutory Recommendations

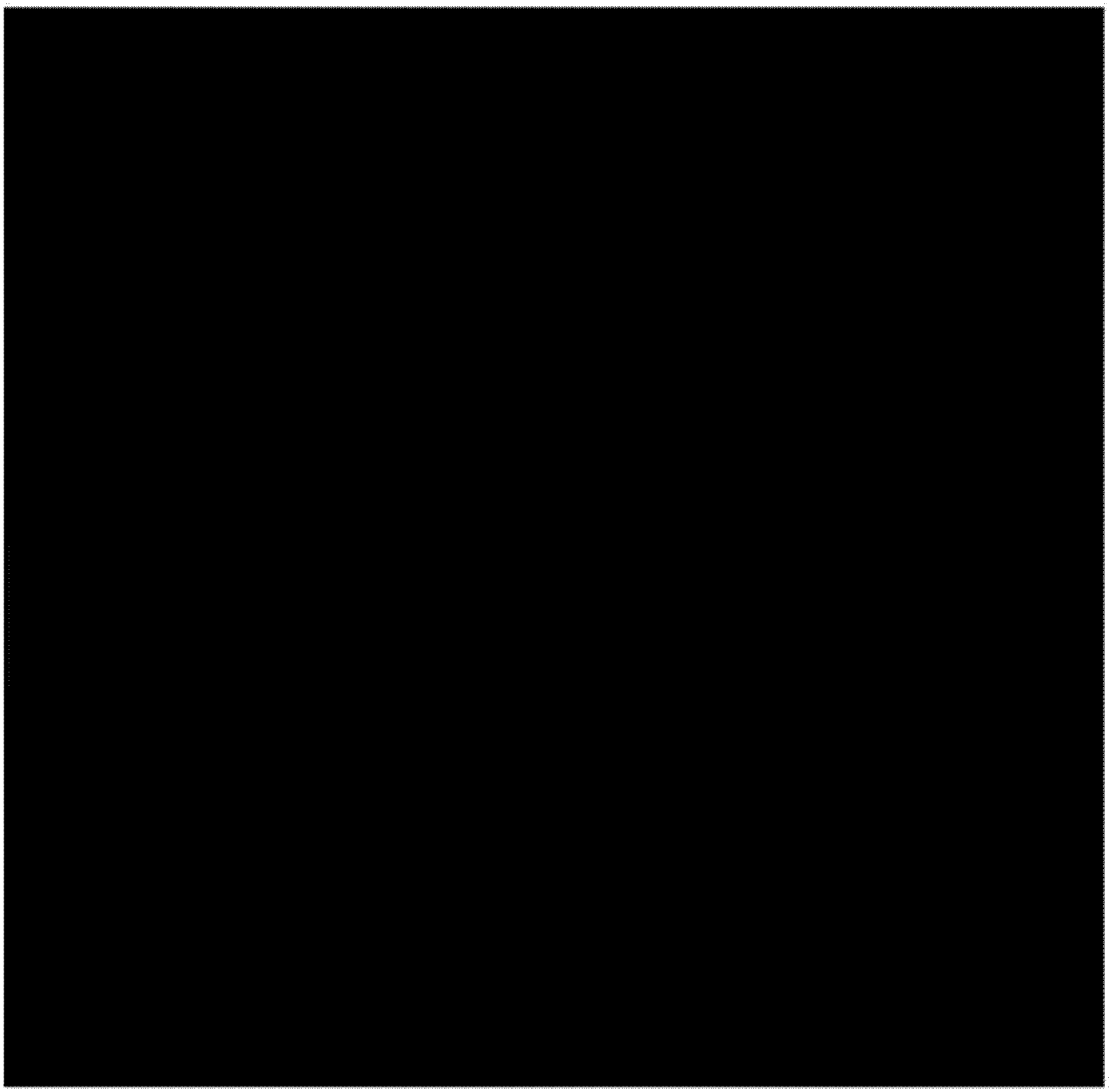
Though the Task Force recognizes many efforts that Commerce must advance to alleviate regulatory burdens on the Department and American public, the Task Force also appreciates that many regulatory reform needs will require action by Congress. Accordingly, the Task Force proposes that the Department make the following statutory recommendations to Congress to further pursue Commerce's regulatory reform agenda:

A. NOAA

Content withheld under (b)(5) exemption

[redacted]

Content withheld under (b)(5) exemption



B. BIS

1. *Remove the requirement that all items controlled for missile technology reasons require a license (Section 6(l) of the Export Administration Act, as amended).* In the absence of this statutory requirement, most missile technology-controlled items would still require licenses to almost all destinations. However, removal of the statutory bar would allow use of license exceptions in low-risk situations where, for instance, the items were being exported to a U.S. government agency in another country.

2. *Revisit "High Performance Computer" licensing and reporting requirements (Secs. 1211-1215 of Pub. L. 105-85, 111 Stat. 1932, 50 U.S.C. 4604 (note)).* These requirements should be reviewed due to subsequent developments in technology and country policy.

3. *Remove Naval Petroleum Reserve Act license requirements for petroleum products (10 U.S.C. 7430(e)).* In the Consolidated Appropriations Act, 2016, Congress repealed export controls on crude oil, however, it left in place a provision of the Naval Petroleum Reserve Act that imposes a license requirement for exports of refined petroleum products from the Naval Petroleum Reserve. Since the Department of Energy has sold the last part of the Reserve, this provision has no effect and should be eliminated.

4. *Quarterly reporting obligations under Section 1503 of the Emergency Wartime Supplemental Appropriations Act of 2003 (EWSAA).* Section 1503 of the EWSAA authorized the President to suspend certain sanctions against Iraq so long as quarterly reports are submitted to Congress on all licenses approved to Iraq for items on the Commerce Control List. This obligation has been delegated to BIS which has been producing the report quarterly since 2003, taking up resources that BIS could use to process licenses.

Content withheld under (b)(5) exemption

[redacted]

C. EDA

1. *Revolving Loan Fund Grants.* EDA proposes a statutory modification that would serve to reduce or remove regulatory burdens. In short, it would permit EDA to "defederalize" its Revolving Loan Fund (RLF) grants. Without this statutory fix, grantees have to report to EDA, and EDA has to administer and monitor these grants, in perpetuity, because the Federal interest in this type of grant does not end. EDA's proposal would permit EDA to release its Federal interest seven years after full disbursement to the grantee (in most cases, 10 years after the date of the award), a reasonable period wherein EDA can demonstrate that it obtained the benefits of its investment (injection of needed capital into the community through RLF loans made

by the grantees), but allowing the RLF grantee to be free of on-going reporting and other requirements after they have satisfactorily carried out the terms of the award.[12]

IV. Next Steps

Total cost savings for all rule removal and modification proposals are still being calculated by economists at the Department. Updated cost estimates, to the extent available, will be included, as available, in the future update reports that the Task Force intends to release.

Additionally, the members of the Task Force, and bureau chief counsels, are currently working to identify additional recommendations for Congress regarding statutory changes that could enhance the Department's regulatory reform agenda. Following completion of this initial report and related regulatory actions, the Task Force recommends the following initiatives to enable continued reform efforts:

1. Quarterly Task Force meetings to analyze new, significant agency rules and their corresponding cost-savings and rule-elimination requirements; ongoing identification of obsolete or burdensome rules for removal or modification; and future Task Force updates released in consistent quarterly and/or annual reports.

2. Coordination of efforts with the Department's other significant reform efforts: (1) streamlining permitting and burdens on manufacturing; (2) infrastructure; (3) realignment and streamlining of the government; (4) promoting energy independence; and (5) business liaison efforts to collect feedback from the private sector.

3. Creation of a Department website designed to collect feedback regarding regulatory burdens to business, and to transparently promote the reform efforts being conducted by the Task Force and Department.

4. Ongoing recommendations to Congress regarding statutory changes necessary to eliminate regulatory burdens.

5. Implementation of streamlined, effective ways to collect future feedback from businesses and stakeholders regarding burdensome, costly, and ineffective regulations. Some suggestions include:

    - All DOC bureaus could issue annual Requests for Comment on the topic of Commerce's regulatory reform agenda in order to gauge public opinion about

[12] Note that EDA has advocated for this change for some time, and it actually passed the House last year (sec. 14 of HR 4487 (114th Congress)). It is also likely going to be included in the FY 2018 President's Budget as a tool to help wind down EDA in the event Congress agrees to eliminate EDA. Bottom line: this proposal is helpful to our grantees (and EDA) whether or not EDA is eliminated.

regulatory reform and rules that could be improved, refined, or removed. Such requests for comment would be in addition to Commerce's existing efforts to receive stakeholder feedback through public comments on notices of inquiry and proposed rules.

- Through the regional Fishery Management Councils, stakeholders may provide direct and substantive input into the development and regular modification of fishery management plans and regulations. Councils balance both conservation and management needs for a fishery with the operational needs of fishing businesses; NMFS and the Councils should work together to revise or remove regulations identified by stakeholders that are outdated, ineffective, insufficient, or excessively burdensome to the relevant fishery; At the Council Coordinating Committee meeting (May 16-18), NMFS discussed with the Councils' Executive Directors and Chairpersons how to add to this existing review process to more regularly identify potential regulations for removal.

- Through National Marine Sanctuary Advisory Councils, local and regional community members representing a widely diverse array of interests and user groups provide input and recommendations to sanctuary superintendents several times per year. The Chairs of each Sanctuary Advisory Council also meet once a year to discuss issue-driven topics with Office of National Marine Sanctuaries (ONMS) leadership. ONMS also maintains a Business Advisory Council, which is comprised of senior management officials from a wide array of large businesses (e.g., Disney Corporation, Subaru of America, Jet Blue) and who provide input and advice to the ONMS Director on how sanctuaries can develop more robust corporate partnerships. Each of these groups provides an excellent forum for ONMS to streamline the collection of feedback on the impact of current and proposed sanctuary regulations.

- Added efforts to collect stakeholder feedback at agency seminars, industry events, conferences, and tradeshows; efforts to collect comments at conferences or training for universities or government agencies that export or transfer technology; advisory opinion requests.