

# Memoranda 01-23 (Improving Regulatory Impact Analyses)

June 19, 2001

**M-01-23**

## **MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES**

**FROM:** Mitchell E. Daniels, Jr.  
Director

**SUBJECT:** Improving Regulatory Impact Analyses

The Bush Administration is committed to improving the quality of the Regulatory Impact Analyses (RIAs) that departments and agencies prepare under Executive Order 12866. Improved analysis will lead to more effective and efficient regulation by providing the public and policy officials with better information on the effects of these important rules.

As part of this initiative, agencies should ensure that they use the "OMB Guidelines to Standardize Measures of Costs and Benefits and the Format of Accounting Statements" (M-00-08) in preparing their RIAs. The Office of Management and Budget (OMB) issued the Guidelines on March 22, 2000, after interagency comment and peer review. Using economic analyses to improve regulatory results is also required by several other laws and Executive Orders, in addition to E.O. 12866. Examples include: Title II of the Unfunded Mandates Reform Act of 1995, which requires agencies to provide qualitative and quantitative assessments of the anticipated costs and benefits of Federal mandates; Section 624 of the Consolidated Appropriations Act of 2001, which requires agencies to prepare accounting statements on the benefits and costs of regulations for submission to OMB; and the Statement of Effects of Executive Order 13211, "Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use", which was issued on May 18, 2001 to improve understanding of the effects of regulatory actions on energy. Using the Guidelines to improve the analyses called for by these requirements will result in more informed regulatory decisions and better regulations.

Before an agency submits a draft rule and RIA to OMB for review under EO 12866, the agency should assure that it has complied with the Guidelines. This will avoid the need for the agency to conduct additional analysis in the course of OMB review. If OMB determines that more substantial work is needed, OMB will return the draft rule to the agency for improved analysis.

The Guidelines are on our web site at:

<https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/m00-08.pdf>

OMB's Office of Information and Regulatory Affairs (OIRA) can answer any questions that your agency may have about the Guidelines. OIRA's Deputy Administrator, Don Arbuckle, may be reached at 395-5897.