Periodic Retrospective Review

Committee on Administration and Management

Proposed Recommendation from Committee on Administration and Management | May 7, 2021

Retrospective review is the process by which agencies assess existing regulations and decide whether they need to be revisited. Consistent with long-standing executive branch policy,\(^1\) the Administrative Conference has endorsed the practice of retrospective review of agency regulations,\(^2\) and has urged agencies to consider conducting retrospective review under a specific timeframe, which is often known as “periodic retrospective review.”\(^3\) Agencies may conduct periodic retrospective review in different ways. One common way is for an agency to engage in such review of some or all of its regulations on a pre-set schedule (e.g., every ten years). Another way is for the agency to set a one-time date for reviewing a regulation and, when that review is performed, set a new date for the next review, and so on. This latter method enables the agency to adjust the frequency of a regulation’s periodic retrospective review in light of experience.

Periodic retrospective review may occur because a statute requires it or because an agency simply chooses to do it. Statutes requiring periodic retrospective review may specify a


\(^3\) Recommendation 95-3, supra note 2, at 43110.
time interval over which review should be conducted or leave the frequency up to the agency.  

The Clean Air Act, for example, requires the Environmental Protection Agency to review certain ambient air quality regulations every five years.\(^4\) On the other hand, Congress only stated that the Department of Transportation must “specify procedures for the periodic review and update” of its rule on early warning reporting requirements for manufacturers of motor vehicles, and did not specify how often that review must occur.\(^5\) Where periodic retrospective review is not mandated by statute, agencies have sometimes voluntarily implemented periodic retrospective review programs.\(^6\)

Periodic retrospective review can enhance the quality of agencies’ regulations by helping agencies determine whether regulations continue to meet their statutory objectives. Such review can also assist agencies in evaluating regulatory performance (e.g., the benefits, costs, ancillary impacts,\(^7\) and distributional impacts\(^8\) of regulations), and assess whether and how a regulation should be revised in a new rulemaking. And periodic retrospective review can help agencies determine the accuracy of the assessments they made before issuing their regulations (including assessments regarding forecasts of benefits, costs, ancillary impacts, and distributional impacts) and identify ways to improve the accuracy of those assessment methodologies.\(^9\)

There can also be drawbacks associated with periodic retrospective review. Some regulations may not be strong candidates for such review because the need for the regulations is

\(^7\) An ancillary impact is an “impact of the rule that is typically unrelated or secondary to the statutory purpose of the rulemaking . . .”. OFFICE OF MGMT. & BUDGET, EXEC. OFFICE OF THE PRESIDENT, OMB CIRCULAR A-4, REGULATORY ANALYSIS 26 (2003).
\(^8\) A distributional impact is an “impact of a regulatory action across the population and economy, divided up in various ways (e.g., by income groups, race, sex, industrial sector, geography).” Id. at 14.
\(^9\) Id. at 8.
unlikely to change and the benefits associated with periodically revisiting them are small. There are costs associated with collecting data and analyzing it, and time spent on reviewing existing regulations is time that may not be spent on other important regulatory activities. For this reason, agencies might reasonably decide to limit periodic retrospective review to certain types of regulations, such as important regulations that affect large numbers of people or that have particularly pronounced effects on specific groups. Periodic retrospective review can also generate uncertainty regarding whether a regulation will be retained or modified. Agencies, therefore, should carefully tailor their periodic retrospective review plans.

Mindful of both the value of periodic retrospective review and the tradeoffs associated with it, this Recommendation offers practical suggestions to agencies about how to establish a periodic retrospective review plan. It does so by, among other things, identifying the types of regulations that lend themselves well to periodic retrospective review, proposing factors for agencies to consider in deciding the optimal review frequency when they have such discretion, and identifying different models for staffing periodic retrospective review. In doing so, it builds upon the Administrative Conference’s longstanding endorsement of public participation in all aspects of the rulemaking process, including retrospective review, by encouraging agencies to seek public input to both help identify the types of regulations that lend themselves well to periodic retrospective review and inform that review.

This Recommendation also recognizes the important role that the Office of Management and Budget (OMB) plays in agencies’ periodic retrospective review efforts and the significance of the Foundations for Evidence-Based Policymaking Act (the Evidence Act) and associated OMB-issued guidance. It suggests that agencies work with OMB to help facilitate data

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10 See Recommendation 2014-5, supra note 2, ¶ 6.


12 See supra note 2.

13 See Bennear & Wiener, supra note 6.
collection relevant to reviewing regulations. It calls attention to the Evidence Act’s requirements for certain agencies to create Learning Agendas and Annual Evaluation Plans, which lay out research questions that agencies plan to address regarding their missions, including their regulatory missions, and how they intend to address these questions.\textsuperscript{14} Consistent with the Evidence Act, the Recommendation states that agencies can incorporate periodic retrospective reviews in their Learning Agendas and Annual Evaluation Plans by undertaking and documenting certain activities as they carry out their reviews.

**RECOMMENDATION**

**Selecting the Types of Regulations to Subject to Periodic Retrospective Review and the Frequency of Review**

1. Agencies should identify any specific regulations or categories of regulations that are subject to statutory periodic retrospective review requirements.

2. For regulations not subject to statutory periodic retrospective review requirements, agencies should establish a periodic retrospective review plan. In deciding which regulations, if any, should be subject to this review plan, agencies should consider the public benefits of periodic retrospective review, including potential gains from learning more about regulatory performance, and the costs, including the administrative burden associated with performing the review and any disruptions to reliance interests and investment-backed expectations. When agencies adopt new regulations for which decisions regarding periodic retrospective review have not been established, agencies should, as part of the process of developing such regulations, decide whether those regulations should be subject to periodic retrospective review.

3. When planning for periodic retrospective review agencies should not limit themselves to reviewing a specific final regulation when a review of a larger regulatory program would be more constructive.

4. For regulations that agencies decide to subject to periodic retrospective review, agencies should decide whether to subject some or all of the regulations to a pre-set schedule of review or whether some or all of the regulations should have only an initial date for review, with a subsequent date for each review set at the time of the preceding review. In either case, agencies should decide the optimal frequency of review for a pre-set schedule of review or the optimal period before the first review. In selecting the frequency of review or setting the first or any subsequent date of review, agencies should consider, among others, the following factors:
   a. The pace of change of the technology, science, sector of the economy, or part of society affected by the regulation. A higher pace of change may warrant more frequent review;
   b. The degree of uncertainty about the accuracy of the initial estimates of regulatory benefits, costs, ancillary impacts, and distributional impacts. Greater uncertainty may warrant more frequent review;
   c. Changes in the statutory framework under which the regulation was issued. More changes may warrant more frequent review;
   d. Comments, complaints, requests for waivers or exemptions, or suggestions received from interested groups and members of the public. The level of public interest or amount of new evidence regarding changing the regulation may warrant more frequent review;
   e. The difficulties arising from implementation of the regulation, as demonstrated by poor compliance rates, requests for waivers or exemptions, the amount of clarifying guidance issued, remands from the courts, or other factors. Greater difficulties may warrant more frequent review;
f. The administrative burden in conducting periodic retrospective review. Larger burdens, such as greater staff time, involved in reviewing the regulation may warrant less frequent review; and
g. Reliance interests and investment-backed expectations connected with the regulation. Greater reliance or expectations may lend themselves to less frequent review.

5. In making the decisions outlined in Recommendations 1 through 4, public input can help agencies identify which regulations should be subject to periodic retrospective review and with what frequency. Agencies should consider soliciting public input by means such as convening meetings of interested persons, engaging in targeted outreach efforts to historically underrepresented or under-resourced groups, and posting requests for information.

6. Agencies should publicly disclose their periodic retrospective review plans, which should cover issues such as which regulations are subject to periodic retrospective review, how frequently those regulations are reviewed, what the review entails, and whether the review is conducted pursuant to a legal requirement or the agencies’ own initiative. Agencies should include these notifications on their websites and consider publishing them in the Federal Register, even if the law does not require it.

7. With respect to regulations subject to a pre-set schedule of periodic retrospective review, agencies should periodically reassess the regulations that should be subject to periodic retrospective review and the optimal frequency of review.

**Publishing Results of Periodic Retrospective Review and Soliciting Public Feedback on Regulations Subject to Review**

8. Agencies should publish a document or set of documents in a prominent, easy-to-find place on the portion of their websites dealing with rulemaking matters, explaining how they conducted a given periodic retrospective review, what information they considered, and what public outreach they undertook. They should also include this document or set of documents on Regulations.gov. To the extent appropriate, agencies should organize the
data in the document or set of documents in ways that allow private parties to re-create the agencies’ work and run additional analyses concerning existing regulations’ effectiveness. When feasible, agencies should also explain in plain language the significance of their data and how they used the data to shape their review.

9. Agencies should seek input from relevant parties when conducting periodic retrospective review. Possible outreach methods include convening meetings of interested persons; engaging in targeted outreach efforts, such as proactively bringing the regulation to the attention of historically underrepresented or under-resourced groups; and posting requests for information on the regulation. Agencies should integrate relevant information from the public into their periodic retrospective reviews.

10. Agencies should work with the Office of Management and Budget (OMB) to properly invoke any flexibilities within the Paperwork Reduction Act that would enable them to gather relevant data expeditiously.

Ensuring Adequate Resources and Staffing

11. Agencies should decide how to best structure their staffing of periodic retrospective reviews to foster a culture of retrospective review and ongoing learning. Below are examples of some staffing models, which may be used in tandem or separately:

   a. Assigning the same staff the same regulation, or category of regulation, each time it is reviewed. This approach allows staff to gain expertise in a particular kind of regulation, thereby potentially improving the efficiency of the review;

   b. Assigning different staff the same regulation, or category of regulation, each time it is reviewed. This approach promotes objectivity by allowing differing viewpoints to enter into the analysis;

   c. Engaging or cooperating with agency or non-agency subject matter experts to review regulations; and

   d. Pairing subject matter experts, such as engineers, economists, sociologists, and scientists, with other agency employees in conducting the review. This approach maximizes the likelihood that both substantive considerations, such as the net
benefits and distributional and ancillary impacts of the regulation, and procedural
considerations, such as whether the regulation conflicts with other regulations or
complies with plain language requirements, will enter into the review.

Using Evidence Act Processes

12. Consistent with the Evidence Act, agencies should incorporate periodic retrospective
reviews in their Learning Agendas and Annual Evaluation Plans. In doing so, agencies
should ensure that they include:

a. The precise questions they intend to answer using periodic retrospective review.
   Those questions should include how frequently particular regulations should be
   reviewed and should otherwise be keyed to the factors set forth in Section 5 of
   Executive Order 12866 for periodic retrospective review of existing significant
   regulations.;

b. The information needed to adequately review the regulations subject to the
   periodic retrospective reviews. Agencies should state whether they will undertake
   new information collection requests or use existing information to conduct the
   reviews;

c. The methods the agencies will use in conducting their reviews, which should
   comport with the federal program evaluation standards set forth by OMB;

d. The anticipated challenges the agencies anticipate encountering during the
   reviews, if any, such as obstacles to collecting relevant data; and

e. The ways the agencies will use the results of the reviews to inform policy making.

Interagency Coordination

13. Agencies that are responsible for coordinating activities among other agencies, such as the
Office of Information and Regulatory Affairs, should, as feasible, regularly convene
agencies to identify and share best practices on periodic retrospective review. These
agencies should address questions such as how to improve timeliness and analytic quality of review and the optimal frequency of discretionary review.

14. To promote a coherent regulatory scheme, agencies should coordinate their periodic retrospective reviews with other agencies that have issued related regulations.