
President Trump Signs Executive Order on Plan for Reorganizing the Executive Branch

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On March 13, 2017, President Trump signed an [Executive Order](#) setting forth the process by which the Trump Administration will consider the possible reorganization of the Executive Branch and the potential “eliminat[ion of] unnecessary agencies, components of agencies, and agency programs.”

The March 13 Executive Order requires each head of agency to submit to the Director of the Office of Management and Budget (the “Director”), within 180 days of the Executive Order, a proposed plan to reorganize his or her agency in order to “improve the efficiency, effectiveness, and accountability of that agency.” Separately, the Executive Order requires the Director to publish a notice in the Federal Register inviting the public to suggest improvements in the organization and functioning of the Executive Branch. Within 180 days after the closing date for public comment, the Director is required to submit to the President a proposed plan to reorganize the Executive Branch. This plan will include, as appropriate, “recommendations to eliminate unnecessary agencies, components of agencies, and agency programs, and to merge functions.” The Executive Order requires that the Director’s proposed plan consider suggestions from the public comment period and include recommendations for any legislation or administrative measures necessary to achieve the proposed reorganization.

In developing the proposed plan, the Director is to consider, among any other relevant factors: (1) whether some or all of the functions of an agency, component or program are appropriate for the Federal Government or are “better left to State or local governments or to the private sector through free enterprise”; (2) whether some or all of the functions of an agency, component, or program are redundant; (3) whether certain administrative capabilities necessary for operating an agency, component, or program are redundant; (4) whether the costs of continuing to operate an agency, component, or program are “justified by the public benefits it provides”; and (5) the costs of shutting down or merging agencies, components, or programs, “including the costs of addressing the equities of affected agency staff.” Finally, the Executive Order requires that in developing the proposed plan, the Director consult with the head of each agency, and (consistent with applicable law) “with persons or entities outside the Federal Government with relevant expertise in organizational structure and management.”

Following on the heels of the [February 24 and January 30 Executive Orders](#), the March 13 Executive Order further demonstrates the Trump Administration's commitment to identifying ways to reduce government spending and eliminate government inefficiency. We anticipate that this process will eventually lead to at least some government reorganization and restructuring, which could have substantial deregulatory effects in certain industries. We will continue to monitor the Trump Administration's efforts in this area for further developments; in the meantime, companies in regulated industries should feel free to contact WilmerHale to discuss potential implications of these reorganization and deregulatory efforts.