

Remarks by Secretary Steven T. Mnuchin at the Treasury Department's Deregulation Day Listening Session

October 2, 2017

As Prepared for Delivery

Good afternoon everyone – welcome to the Treasury Department.

Before we begin, I would like to express my shock and sadness over yesterday's tragedy in Las Vegas and extend my deepest sympathies to all of those affected. While we mourn for the victims of this cowardly attack, we also commend the bravery of our first responders and others providing critical support for their fellow Americans. Our thoughts and prayers are with the people in Las Vegas.

Thank you all for being here today to join in this important discussion about issues that affect Americans across the country. We are here to discuss regulation and cutting red tape. Red tape was expensive and literally used in medieval Spain. Its remnants remain as a drag on our modern America. The cost of regulation is high. Through additional compliance costs, opportunity costs, and barriers to entry, regulations can be a serious burden on our economy. Many of these costs are hidden. We lose out on products and services that would have been offered, the jobs that could have been created, and lower prices that make life easier if needless regulations had not been in the way.

As I have met with people across the country, the biggest issue is the need for regulatory relief. Too often, the complexity of regulations masks the simple truth that they too often entrench special interests and fail to advance important goals like economic growth, innovation, and opportunity. Balanced regulation is important to a well-functioning market economy. Excessive regulation has real world consequences and makes it more difficult for American businesses, families, and workers to get ahead in this country.

This is why the President has made clear that regulatory relief is a top priority of his Administration. At Treasury, we have made and are continuing to make strides in this area.

First, we are engaged in a wholesale review of financial regulations to ensure that they comply with the President's Core Principles. These Core Principles, laid out in Executive Order 13772, will help boost economic growth and make it easier to achieve the American Dream. In my role as both Treasury Secretary and as Chair of the Financial Stability Oversight Council, I am committed to working with financial regulators across our government to advance the President's Core Principles. In our first report on the depository system, we made recommendations that we are beginning to implement. About two-thirds of these can be done directly by regulators.

Beyond the Core Principles Reports, Treasury is taking a serious look back at its own regulations that are already on the books. In particular, we want to ensure that our Tax Code encourages economic growth and does not drag Americans down with mountains of paperwork. Americans currently spend billions of dollars and billions of hours complying with the Code. Most of that is due to the way the tax laws are written—something we're working with Congress to reform—but some of it is due to the way the law has been implemented. The President's directive on tax regulatory burdens, Executive Order 13789, will help us change this. To this end, Treasury has identified eight tax regulations that it is considering modifying or revoking because they are overly burdensome or costly. There is more to come.

In accordance with the President's Executive Order 13777, we are also conducting a broader retrospective review of regulations. We issued a request for public comment on all Treasury regulations earlier this summer, and the comments that we received are informing regulatory relief efforts not only by the IRS and Office of Tax Policy, but also by other Treasury bureaus.

For instance, many people are surprised to learn that you need federal approval to brew beer commercially, *and* that federal review is required of most alcohol beverage labels. Treasury's Tax and Trade Bureau (TTB) has begun working on ways to streamline the process for applying for beer, wine, and liquor permits. We are looking back at regulations that have accumulated over the eighty years since the passage of the Federal Alcohol Administration Act. Labeling and permitting requirements should make it easier, not more difficult, for small breweries, distilleries, and wineries to operate. They should provide clarity, not confusion. This is entirely in line with modernizing the federal government and unleashing innovation.

Finally, we are committed to the President's "one in, two out" Executive Order and our efforts are already bearing fruit. Too often, federal agencies spend far more time focused on new regulations without taking stock of existing regulations that are excessively burdensome, unnecessary, or outdated. Treasury and its bureaus are working to change that. The IRS has, for

example, already identified literally hundreds of rules and regulations that are outdated. This regulatory deadwood creates compliance costs and confusion that make it more difficult for individuals and small businesses to prosper.

These are just some of the actions we are taking here at Treasury – and we are open to new ideas. Events like this provide a valuable opportunity for all involved. We still have important work to do and we need smart, dedicated, and civic-minded individuals to help get it done. This means input from both the public and private sector. Everyone here knows what Americans can accomplish when they are free from the knots of red tape. It is our goal to make this happen. So thank you all again for being here and I hope this is a robust and productive discussion.