



## DEPARTMENT OF COMMERCE

### 15 CFR Part 0

[Docket ID 260107-0010]

RIN 0605-AA75

### Removing Unnecessary Department-Specific Regulations Related to Employee Responsibilities and Conduct

**AGENCY:** Office of the Secretary, Department of Commerce.

**ACTION:** Final rule.

**SUMMARY:** By this rule, the Department of Commerce (the “Department”) eliminates regulations that relate to the responsibilities and conduct of the Department’s employees. None of the regulations at Part 0 is required by statute and, as a whole, Part 0 has been supplanted and rendered obsolete by various Executive branch-wide regulations in Title 5 of the Code of Federal Regulations and Department Administrative Orders (“DAOs”). The removal of Part 0 is necessary to streamline the Department’s regulations and to eliminate unnecessary regulatory complexity and clutter. The intended effect of this action is to reduce the potential for confusion regarding employee conduct and to promote administrative efficiency.

**DATES:** The rule is effective [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Daniel Sweeney, Senior Counsel, Office of the General Counsel, at (202) 482-1395.

#### SUPPLEMENTARY INFORMATION:

##### I. Discussion

The regulations at 15 CFR Part 0 govern the responsibilities and conduct of the Department’s employees. Such regulations are generally authorized by 5 U.S.C. 301, which provides that “[t]he head of an Executive department . . . may prescribe regulations for the

government of his department, the conduct of its employees, the distribution and performance of its business, and the custody, use, and preservation of its records, papers, and property.”

### **A. Regulatory History**

The Department first established a comprehensive framework for employee conduct in a final rule published on November 2, 1967 (32 FR 15222). That rule was issued to conform the Department’s policies with government-wide standards prescribed in Executive Order 11222 of May 8, 1965, and regulations issued by the Civil Service Commission, now codified at 5 CFR Part 735. The 1967 rule aimed to address ethical and administrative challenges inherent to the Department’s functions by setting forth specific policies and procedures for employee conduct. Key provisions included establishing standards to prevent conflicts of interest, or the appearance of such conflicts, and implementing a requirement for certain employees to submit statements of their outside employment and financial interests. The 1967 rule also established an administrative structure for enforcement, outlining the responsibilities of individual employees, supervisors, and the Department’s operating units in upholding these ethical standards.

Over time, the Executive branch developed more centralized, government-wide ethics regulations. Following the passage of the Ethics in Government Act of 1978, the Office of Government Ethics (“OGE”) promulgated comprehensive regulations governing financial disclosure and standards of ethical conduct, codified at 5 CFR Parts 2634 and 2635, respectively. In a final rule published on May 9, 2003 (68 FR 24879), the Department amended its regulations to remove its own internal conduct provisions that were rendered obsolete by, or were duplicative of, the new OGE regulations. The 2003 amendment removed and reserved several subparts and sections of 5 CFR Part 735 and revised § 735.2 to direct employees to the controlling Executive branch-wide standards.

In a final rule published on August 11, 2006 (71 FR 46073), the Office of Personnel Management (“OPM”) updated certain regulations governing the responsibilities and conduct of all Executive branch employees, codified at 5 CFR Part 735. And, in a final rule published on

June 25, 2008 (73 FR 36186), OGE issued regulations governing post-employment conflict of interest violations by former Executive branch employees, codified at 5 CFR Part 2641.

## **B. Description of the Regulations Being Amended**

Part 0 currently consists of five subparts: Subpart A, Subpart D, Subpart F, Subpart G, and Subpart H. (Subparts B, C, and E are currently reserved.)

Subpart A contains the “General Provisions” for Part 0. Specifically, it addresses the purpose of Part 0, *see* 15 CFR 0.735-1; it cross-references some of the applicable Executive branch-wide regulations governing employee responsibilities and conduct, *see* 15 CFR 0.735-2; it clarifies the applicability of Part 0 to all persons included within the term “employee,” *see* 15 CFR 0.735-3; and it sets forth various definitions (including for the term “employee”), *see* 15 CFR 0.735-4.

Subpart D sets forth regulatory limitations upon employee conduct. In particular, it discusses, in broad terms, the applicability of certain statutory limitations, *see* 15 CFR 0.735-10; it addresses the issue of employee indebtedness, *see* 15 CFR 0.735-16; it sets forth certain restrictions on activities related to gambling, *see* 15 CFR 0.735-17; it restricts certain general categories of conduct that are prejudicial to the government, *see* 15 CFR 0.735-18; and it requires each employee to report any use or attempted use of undue influence, *see* 15 CFR 0.735-19.

Subpart F sets forth rules government supplementary regulations related to employee conduct. Specifically, it acknowledges that the Assistant Secretary for Administration and each individual operating unit may set forth additional regulations related to employee conduct. *See* 15 CFR 0.735-32, 0.735-33. It also sets forth a rule regarding the effective date of any supplementary regulations. *See* 15 CFR 0.735-34.

Subpart G is titled “Administration.” It identifies the responsibilities of employees and of operating units within the Department. *See* 15 CFR 0.735-35, 0.735-36. It also sets forth requirements related to (i) the review of statements of employment and financial statements,

*see* 15 CFR 0.735-37; (ii) the availability of employee counseling, *see* 15 CFR 0.735-38; (iii) authorizations for certain conduct, *see* 15 CFR 0.735-39; (iv) disciplinary and remedial actions, *see* 15 CFR 0.735-40; and (v) inquiries and exceptions, *see* 15 CFR 0.735-41.

Lastly, Subpart H sets forth the rules governing disciplinary actions for post-employment conflict of interest violations. Specifically, it contains regulatory provisions (i) explaining its scope, *see* 15 CFR 0.735-42; (ii) requiring all employees to report any known conflict of interest violations by former employees, *see* 15 CFR 0.735-43(a); (iii) setting forth administrative procedures for the various stages of disciplinary actions, *see* 15 CFR 0.735-43(b)–(d), 0.735-44, 0.735-45, 0.735-46, 0.735-47, 0.735-48, 0.735-49; and (iv) acknowledging the availability of judicial review, *see* 15 CFR 0.735-50.

## **II. Regulatory Amendments**

By this rule, the Department is eliminating 15 CFR Part 0 in its entirety for the following reasons.

As an initial matter, none of the regulatory provisions within Part 0 is specifically required by statute. The lack of a specific statutory mandate, by itself, suffices to warrant reconsideration of Part 0, as the Department is committed to ensuring that its regulations do not exceed the scope of its lawful authority.

And, upon careful reconsideration, the Department has determined that the regulatory provisions at Part 0 are not justified by any compelling interest. As discussed above, since the Department first established a regulatory framework governing employee conduct, numerous Executive branch-wide regulations governing employee conduct have been promulgated by OMB and OGE. *See, e.g.*, 5 CFR Part 735 (“Employee Responsibilities and Conduct”), 5 CFR Part 2634 (“Executive Branch Financial Disclosure, Qualified Trusts, and Certificates of Divestiture”), 5 CFR Part 2635 (“Standards of Ethical Conduct for Employees of the Executive Branch”), 5 CFR Part 2641 (“Post-Employment Conflict of Interest Restrictions”). The Department has also since issued numerous DAOs related to employee conduct. *See, e.g.*, DAO

202-250 (“Delegation of Authority for Human Resources Management”); DAO 202-299 (“Clearance of Separating Employees”); DAO 202-751 (“Discipline”); DAO 203-9 (“Gifts”). The Department is satisfied that these Executive branch-wide regulations, their underlying statutory authorities, and the Department’s numerous DAOs adequately address employee conduct and render Part 0 substantially obsolete. But even apart from those other authorities, certain provisions within Part 0 are obsolete by themselves. For example, § 0.735-4(a)(1)(i) references the Environmental Science Services Administration—an agency that ceased to exist back in 1970. And certain other provisions within Part 0 simply restate underlying statutory law, such as § 0.735-50 (with respect to availability of judicial review).

Furthermore, the continued maintenance of Part 0 inevitably poses some risk of distracting from—and causing confusion about the application of—the Executive branch-wide regulations on employee conduct, as well as the related statutory requirements and restrictions.

Overall, eliminating Part 0 would simplify both the Department’s own regulations and the broader body of regulations and authorities pertaining to the conduct of Executive branch employees, and the Department is satisfied that the value of proceeding with this elimination outweighs the value currently added by Part 0.

### **III. Regulatory Certifications**

#### ***A. Administrative Procedure Act***

The Department issues this final rule without prior public notice and comment pursuant to the Administrative Procedure Act’s exception for rules “relating to agency management or personnel or to public property, loans, grants, benefits, or contracts.” 5 U.S.C. 553(a)(2). This

rule falls into that exception, as all of the affected regulatory provisions pertain to agency management and/or personnel.

***B. Executive Orders 12866, 14192, 13132***

The Office of Management and Budget has determined this rule is not significant pursuant to E.O. 12866. This rule is an E.O. 14192 deregulatory action. This rule does not contain policies having federalism implications as the term is defined in E.O. 13132.

***C. Regulatory Flexibility Act***

Because a notice of proposed rulemaking and an opportunity for public participation are not required to be given for this rule by 5 U.S.C. 553(a)(2), the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) are not applicable. Accordingly, no regulatory flexibility analysis is required, and none has been prepared.

***D. Paperwork Reduction Act***

This rule will not impose additional reporting or recordkeeping requirements under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501, *et seq.*

**List of Subjects for 15 CFR Part 0**

Administrative practice and procedure, Authority delegations (Government agencies), Conflict of interests, Government employees, Organization and functions (Government agencies).

Dated: January 13, 2026.

**Paul Dabbar,**  
*Deputy Secretary of Commerce.*

**PART 0 – [REMOVED AND RESERVED]**

Accordingly, for the reasons set forth above and under the authority of 5 U.S.C. 301, part 0 of title 15 of the Code of Federal Regulations is removed and reserved.

