Blogs
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Executive Order Expands Presidential Oversight of Independent Agencies


President Donald Trump recently signed a new executive order that confirms the administration's legal position that so-called independent regulatory agencies operate under the control of the White House.

Executive Order 14216, signed on February 18, 2025, states that independent agencies like the Federal Trade Commission (FTC), Securities and Exchange Commission (SEC), and Federal Communications Commission (FCC) must conform closely with White House priorities as any other agency in the executive branch. The order challenges decades of regulatory autonomy and reflects President Trump's view of the supremacy of the White House over the administrative state.

Key Regulatory Changes

- **Regulatory Oversight:** Independent agencies must submit all proposed and final significant regulatory actions to the Office of Information and Regulatory Affairs (OIRA) within the Executive Office of the President before publication in the Federal Register.
- **Strategic and Budgetary Control:** The Office of Management and Budget (OMB) must review independent agencies' spending obligations and adjust apportionments to align with presidential priorities.
- **Legal Interpretation Centralization:** The president and attorney general will now provide authoritative legal interpretations for the executive branch, binding all agency actions to their determinations.
- **White House Coordination:** Independent agencies are required to regularly consult and coordinate policies with the White House, including the Domestic Policy Council and National Economic Council.
- **White House Liaison Positions:** Each independent agency must establish a White House liaison to ensure executive branch alignment.

Legal Uncertainty

The Supreme Court's conservative majority may be receptive to these changes, but litigation challenging the order's constitutionality is anticipated. Opponents are likely to argue that the order infringes on the statutory independence of regulatory agencies, violating legal precedents such as *Humphrey's Executor v. United States*, which limits presidential removal power over independent agency officials. However, the White House recently requested review of *Humphrey's Executor* by the Supreme Court. Additionally, the requirement for agencies to submit all proposed regulations for White House review could face challenges under the Administrative Procedure Act (APA) for potentially undermining the perceived autonomy of independent agencies.

Industry Implications

While there has been a trend among modern American presidents to expand and consolidate the power of the presidency, this executive order is an explicit signal that independent agencies are effectively not legally distinguishable from other executive branch agencies in terms of their accountability to the White House. Companies in heavily regulated sectors—including banking, technology, energy, and telecommunications—should expect heightened White House influence over agency decision-making, potentially leading to shifts in enforcement priorities and compliance expectations.

With independent agencies required to align with executive branch directives, businesses may wish to expand their advocacy to the White House as well as independent agencies. Organizations should closely monitor agency guidance and be prepared for policy changes as White House priorities evolve. Proactive engagement will be critical. Companies should be ready to adapt internal policies as new regulatory priorities take shape under more direct executive oversight.

Authors

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