

EMBARGOED FOR RELEASE UNTIL 3:00 p.m.

February 17, 1981

FACT SHEET

Executive Order on Regulatory Management

Summary: Vice President Bush today announced details of a new Executive Order replacing current Executive Order 12044 to a) set forth an express Presidential policy on regulation and to provide a structured system to enable agencies to implement that policy effectively pursuant to the overall direction of the Task Force on Regulatory Relief, b) provide for centralized review, in order that the most sensitive questions of regulatory policy will be brought in timely fashion to the Presidential Task Force (and, if necessary, to the President himself), and c) to afford the Task Force and the Director of OMB sufficient flexibility to minimize paperwork and unnecessary regulatory delay.

BACKGROUND:

A comprehensive program of regulatory management is needed to replace the "freeze" on new and "midnight" regulations being implemented by the Cabinet (and EPA) pursuant to the President's memorandum signed on January 29. Such a program is also essential to the President's goal of reducing the excess burden of regulation.

On January 21, the President announced that the Vice President had agreed to chair a Task Force on Regulatory Relief, consisting of: Vice President Bush (Chairman), Treasury Secretary Regan, Attorney General Smith, Commerce Secretary Baldrige, Labor Secretary Donovan, OMB Director Stockman, CEA Chairman Weidenbaum, and Assistant to the President Anderson. The Vice President also announced that Jim Miller, OMB Administrator of Information and Regulatory Affairs, will serve as the Task Force's Executive Director; that Rich Williamson, Special Assistant to the President for Intergovernmental Relations, will serve as Associate Director; and that C. Boyden Gray, Counsel to the Vice President, will serve as Counsel to the Task Force.

In order for the Task Force to carry out its work, it must establish procedures for careful review of new and existing regulations to assure their compliance with the President's

goal of reducing regulatory burdens. To this end, the staff of the Task Force, OMB and the Justice Department developed an Executive Order that would replace Executive Order 12044, which has proven ineffective. The new Order would build upon the management responsibilities and expertise of OMB and OMB's other responsibilities for regulatory oversight (e.g., under the Paperwork Reduction Act of 1980), and would place the Presidential Task Force in charge of the President's overall regulatory reform program.

THE EXECUTIVE ORDER:

The Executive Order, which does not cover independent agencies and applies primarily to the 150 major annual executive agency rules:

1. Imposes, to the extent permitted by law, a requirement that agencies choose regulatory goals and set priorities to maximize benefits to society, and choose the most cost-efficient means among legally available options for securing these regulatory goals;
2. Requires all agencies to prepare, for each major rule, a Regulatory Impact Analysis that will be designed to permit an accurate assessment of the potential costs and benefits of each major regulatory proposal, including alternatives;
3. Authorizes the Director of the Office of Management and Budget, subject to the direction of the Presidential Task Force, to oversee the implementation of the Order and to take a variety of steps to achieve its purposes, including the review of proposed and final agency regulations and Regulatory Impact Analyses for consistency with the Order;
4. Requires agencies to determine that proposed final regulations are within authority vested by law, and are supported by the agency record in each case; and
5. Requires agencies to publish semiannual agendas that will keep the public abreast of pending and expected regulatory actions that could have a major impact on the economy.

Under this new program, the agencies would be the first line of offense to reduce the regulatory burden and the first line of defense to assure that regulations not comporting with the President's policies did not slip through. The management program will assure that: (a) deregulatory initiatives (and unimportant regulations) are approved quickly; (b) major new regulations are scrutinized carefully; and (c) regulations of truly major consequence are brought before the Presidential Task Force (and the President, if necessary) for final review. The Task Force will also convene working groups representing key agencies to develop appropriate

legislative proposals and responses where existing statutory constraints, identified more clearly by the review process described above, preclude effective regulatory decisions (the Clean Air Act Amendments, for example, are up for renewal this year).

Experience under the Executive Order may suggest the need for technical modifications. Accordingly, the Task Force welcomes comments from the public as the Order is implemented