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Agencies Reject Plea for OMB Review

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Six powerful federal regulatory agencies have rejected a "request" from Vice President George Bush to comply with pieces of the Reagan administration's controversial executive order seeking Office of Management and Budget review of pending regulations.

The responses were contained in letters to Rep. John Dingell (D-Mich.), chairman of the House Commerce oversight and investigations subcommittee, which is investigating the administration's OMB clearance process, and in other letters sent directly to Bush.

Dingell had written agency chairmen last month of his panel's concern that the administation's approach may be "based on the premise that excesses and errors in government regulation are best addressed by cicrumvention of Congress to achieve greater presidential control of independent" agencies.

The agencies' responses have been nothing less than a rebuff to Bush's efforts. Bush, acting as a chief of the adminstration's Task Force on Regulatory Relief, asked agency heads to "voluntarily comply" with two key sections of Reagan's Feb. 17 executive order on new regulations. Executive branch

REGULATORY BEAT

agencies must comply with the order because they are under White House command.

"To the extent you can comply with the spirit of the order, this will help deomonstrate to the American people the willingness of all components of the federal government to respond to their concerns about unnecessary intrusion of government into their daily lives," Bush wrote in his March letter.

What apparently strikes the agency chiefs as inappropriate is that the order forces executive branch agencies to submit their new rules to the OMB for clearance. Independent agencies, set up as arms of Congress, have an historic aversion to such White House oversight, and similar efforts by other administrations have met the same resistence.

The flap in no way undermines the powerful oversight role played by OMB in monitoring the regulations of cabinet-level agencies, however. On the other hand, the unwillingness of the regulators to comply ultimately may add support to legislative efforts to put the Bush request into law. Congress is considering a variety of "regulatory reform" bills with just that aim.

See REGULATORY, D10, Col. 3

Of the seven independent agencies contacted by Dingell's subcommittee, only the Nuclear Regulatory Commission said it was still "considering" how to react to Bush's request. The Consumer Product Safety, Federal Communications, Federal Energy Regulatory, Federal Trade, Interstate Commerce, and Securities and Exchange commissions rejected the vice president's request.

The FTC, for example, was evenly split, predictably along party lines, with Acting Chairman David Clanton and Commissioner Patricia Bailey willing to comply, while Democrats Paul Rand Dixon and former chairman Michael Pertschuk strongly disagreed.

Noting that FTC procedures — both internally and by law — provide time for comment from the OMB and other parties, Pertschuk said in a separate statement attached to a letter to Bush that "presidential oversight of FTC rule making is neither contemplated by, nor consistent with, the system for congressional review of commission rules."

In response to Dingell, SEC Chairman John S.R. Shad, a recent Reagan appointee, curtly wrote that the SEC "does not preclear proposed rules with" the OMB "or others."