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Talking Points for
DCRG Members'
Meeting with the President

REG HAS SEEN

PREFACE

- We are at a transition point in the Administration's regulatory reform program.
- We do not intend for this to be a decision meeting. We will be preparing separate decision papers to follow up on appropriate items. We would like to use this time for a general discussion of three aspects of the program:
 1. Where we are and what are our problems?
 2. What should be the future direction of the program?
 3. How should we be organized to get the job done?

WHERE WE ARE AND WHAT ARE OUR PROBLEMS?

- Our recent discussions with business and consumer groups around the country convince us that regulatory reform is clearly a subject of great public interest and concern.
- This issue is being debated, argued and made the subject of newspaper and magazine articles and various conferences.
- We have made good progress. Congress has acted on several key pieces of legislation, e. g., Rail bill, Fair Trade repeal, natural gas deregulation and financial institutions.
- The regulatory commissions are taking independent action. The Executive agencies are examining internal reforms. Greater attention is being given to regulatory appointments.
- However, now careful attention must be given to what direction the program takes from here.



- We must build a broad constituency of consumers, businessmen and the media to encourage further Congressional action.
- Strong vocal support for the program and the specific legislative proposals will be needed to overcome opposition from numerous special interest groups who oppose change.
- While Congressional debate indicates a strong interest in procedural reform, we must work to focus attention on the need for substantive change.
- In the past we have maintained momentum by simply pulling new issues out of the hat.
- We can continue this practice for a while, but we are rapidly exhausting our supply of new initiatives.
- Greater emphasis should be given to tackling burdensome, unreasonable regulatory schemes which fall within your phrase of "getting government off the backs" of people.
- We should work to develop a longer-term plan to pace the effort and help assure that the program has a lasting impact.
- Congress has already taken an initial step in this direction. Legislation was recently introduced which would require the setting of a 5-year plan for the reform of federal regulatory agencies. It commits Congress and the Executive to action and provides for the phasing out of regulatory activities which have not been appropriately reformed by a certain date.



WHAT SHOULD BE OUR FUTURE DIRECTIONS?

- There are a number of different actions with which we must concern ourselves -- both in the long run and over the next few months.
- To help assure that the reform we are proposing has a lasting effect, we need to develop a comprehensive approach to regulatory reform. We need a sharper focus, a framework, a plan so that the public can understand what we are doing.
- We are considering the development of a Comprehensive Plan which would have three major elements:
 1. We could propose a legislative alternative to the Congressional plan which would focus on reform in various sectors of the economy rather than on the agencies themselves.
 - This approach would avoid the tendency to accept an organization box-moving solution to the problem and could include a comprehensive look at all of the various ways government affects the private sector, e. g., through tax preferences, subsidies, etc.
 - It would also provide a means for developing empirical data in areas where additional information would be useful to support the case for reform, e. g., in the safety and health area.
 - The result of this approach would also be to provide a better understanding of the net effect of government intervention in the private sector -- is it positive or negative?



2. We should concentrate on an intensive program to improve regulatory functions within the Executive Branch.
 - We could direct that the agencies establish internal review committees to examine their programs and recommend change within the departments.
 - We could establish a special element within the DCRG which could follow-up and respond to unique problems when regulations are being misused or applied inequitably. Dick Cheney has suggested this approach.
3. We must continue efforts to maintain the current momentum in the short run.
 - We must concentrate effort on achieving enactment of the legislative program already before the Congress, e. g., financial institutions, air and trucking bills, and natural gas deregulation. Presidential reinforcement of the importance of these measures will be needed.
 - We must work to develop new initiatives. Decisions must be made with regard to what the Administration does in the areas of cable, insurance, and Robinson-Patman.
 - We must pursue an intensive public education campaign.
 - Consideration should be given to follow-on meetings with the regulatory commissioners and congressional representatives to discuss progress to date and plans for 1976.
 - We need to supply Cabinet members and sub-Cabinet officials with materials on the program so that they can participate more actively.



- . We should consider meeting with a selected group of intellectual leaders to explain our efforts and seek their views on how to mobilize support.

- . Additional opportunities for Presidential statements on reform should be sought. For example, an upcoming speech could hit the ambivalence that the business community has shown for the reform effort and emphasize the need for strong consumer support.

HOW DO WE ORGANIZE?

- A final question is how best to organize the effort. To date we have operated on an ad hoc basis.

- The staff work has been done by a handful of people in various agencies working on regulatory reform as an additional assignment.

- Assuming that we do decide to expand the program, a decision will have to be made as to whether or not the functioning of the reform effort should be more formalized.

- We will be sending you a specific proposal in the near future.

CONCLUSION

- While regulatory reform has begun to attract public attention not all of your advisors agree on how to increase the public appeal of the program. What are your views?

