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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

APR 15 1975

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES T. LYNN
SUBJECT: Exemption of Agencies from Inflation
Impact Statement Requirement

At the last Cabinet meeting you indicated that you wanted to review all agency requests for exemption from Executive Order 11821 requirements to prepare inflation impact analyses on their proposed major legislation, regulations or rules. Outlined below for your decision is a list of the requests on which we recommend exemptions be granted.

Background

The purpose of the Executive order and the OMB implementing procedures is to increase awareness of Government decisionmakers of the full economic impacts of their actions. From the outset, we have attempted to avoid the creation of a cumbersome bureaucratic device like the environmental impact statement. Accordingly, in our guidance to agencies we included a provision for exempting agencies which do not propose major legislation, rules or regulations.

Under that provision, we believe the agencies listed below should be exempted from the procedural requirements of the OMB Circular. In these instances, there is little likelihood that agency actions will warrant detailed cost analyses. The Council on Wage and Price Stability concurs in these recommended exemptions. Naturally, these exemptions will be subject to review at any time should a change in agency authority or activities so warrant.

Independent Agencies

As you may be aware, most independent regulatory agencies have made the legal argument that they are not covered by your Executive order on inflation impact statements. Many, however, have indicated support of your policy and willingness to cooperate with this initiative. Clearly, none of these agencies ought to be granted an exemption. We have recommended that rather than try to direct compliance through legislation or other means, strong encouragement from you would serve the same end. Your proposed meeting with the Independent Regulatory Commissioners would provide a useful forum for making this point.

Recommended Exemptions:

Action

The Appalachian Regional Commission
United States Commission on Civil Rights
Federal Mediation and Conciliation Service
National Credit Union Administration
National Foundation on the Arts and the Humanities
National Mediation Board
National Science Foundation

Tentative Exemptions Granted Prior to March 26, 1975:

Administrative Conference of the United States
United States Arms Control and Disarmament Agency
Board for International Broadcasting
Foreign Claims Settlement Commission of the United States
Indian Claims Commission
United States Information Agency
National Capital Planning Commission
National Gallery of Art
Smithsonian Institution
United States Soldiers' & Airmen's Home

DecisionAgree: APC 7

Disagree: _____

Discussion: _____

THE WHITE HOUSE
WASHINGTON

April 24, 1975

MR. PRESIDENT:

The attached memorandum has been staffed and generated the following comments:

Buchen (Hills) -- We accept the memorandum in principle but we have no way of knowing whether a consistent application of the decision to exempt certain agencies has been consistently applied: For example, are there other Regional Development Commissions (other than Appalachian) which should also be exempted? We assume OMB will have some mechanism to police the degree of compliance that is voluntarily elicited.

Cannon -- Concurs.

Marsh -- Discuss further.

Seidman -- Agree.

Don

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 17, 1975

Time:

FOR ACTION:

Phil Buchen *gr*
Jim Cannon *gr*
Jack Marsh *gr*
Bill Seidman *gr*

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Monday, April 21, 1975

Time: 3:00 p.m.

SUBJECT:

Lynn memo (4/15/75) re: Exemption of
Agencies from Inflation Impact Statement
Requirement

ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

4/22 - Called Cannon & Marsh
Cannon OKPLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jerry H. Jones
Staff Secretary

THE WHITE HOUSE
WASHINGTON

4.16.75

TO: Jerry Jones

For Your Information _____

For Appropriate Handling ✓

RDL

Robert D. Linder

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 17, 1975

Time:

FOR ACTION: Phil Buchen
Jim Cannon
Jack Marsh
Bill Seidman

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DUE: Date: Monday, April 21, 1975

Time: 3:00 p.m.

SUBJECT:

Lynn memo (4/15/75) re: Exemption of
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Requirement

ACTION REQUESTED:

<input type="checkbox"/> For Necessary Action	<input checked="" type="checkbox"/> For Your Recommendations
<input type="checkbox"/> Prepare Agenda and Brief	<input type="checkbox"/> Draft Reply
<input checked="" type="checkbox"/> For Your Comments	<input type="checkbox"/> Draft Remarks

REMARKS:

*agree**RD*PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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delay in submitting the required material, please
telephone the Staff Secretary immediately.

Jerry H. Jones
Staff Secretary

Recommended Exemptions:

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National Capital Planning Commission
National Gallery of Art
Smithsonian Institution
United States Soldiers' & Airmen's Home

Decision

Agree: ✓ Disagree: _____ Discussion: _____

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 17, 1975

Time:

FOR ACTION: Phil Buchen
Jim Cannon
Jack Marsh
Bill Seidman

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Monday, April 21, 1975

Time: 3:00 p.m.

SUBJECT:

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Requirement

ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

We accept memorandum in principle but we have no way of knowing whether a consistent application of decision to exempt certain agencies has been consistently applied: For example, are there other Regional Development Commissions (other than Appalachian) which should also be exempted? We assume OMB will have some mechanism to police the degree of compliance that is voluntarily elicited.

Roderick Hills R. J. V.

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Jerry H. Jones
Staff Secretary

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

APR 15 1975

MEMORANDUM FOR: THE PRESIDENT

FROM: JAMES T. LYNN

SUBJECT: Exemption of Agencies from Inflation
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Background

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Under that provision, we believe the agencies listed below should be exempted from the procedural requirements of the OMB Circular. In these instances, there is little likelihood that agency actions will warrant detailed cost analyses. The Council on Wage and Price Stability concurs in these recommended exemptions. Naturally, these exemptions will be subject to review at any time should a change in agency authority or activities so warrant.

Independent Agencies

As you may be aware, most independent regulatory agencies have made the legal argument that they are not covered by your Executive order on inflation impact statements. Many, however, have indicated support of your policy and willingness to cooperate with this initiative. Clearly, none of these agencies ought to be granted an exemption. We have recommended that rather than try to direct compliance through legislation or other means, strong encouragement from you would serve the same end. Your proposed meeting with the Independent Regulatory Commissioners would provide a useful forum for making this point.

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National Gallery of Art
Smithsonian Institution
United States Soldiers' & Airmen's Home

Decision

Agree: _____ Disagree: _____ Discussion: _____

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO. APR 18 1975

Date: April 17, 1975

Time:

FOR ACTION: Phil Buchen
Jim Cannon
~~Jack Marsh~~
Bill Seidman

cc (for information):

due 4/21
3:00 p.

FROM THE STAFF SECRETARY

DUE: Date: Monday, April 21, 1975

Time: 3:00 p.m.

SUBJECT:

Lynn memo (4/15/75) re: Exemption of
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Requirement

ACTION REQUESTED:

<input type="checkbox"/> For Necessary Action	<input checked="" type="checkbox"/> For Your Recommendations
<input type="checkbox"/> Prepare Agenda and Brief	<input type="checkbox"/> Draft Reply
<input checked="" type="checkbox"/> For Your Comments	<input type="checkbox"/> Draft Remarks

REMARKS:

Discuss
further
JH

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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Jerry H. Jones
Staff Secretary

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APR 15 1975

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Tentative Exemptions Granted Prior to March 26, 1975:

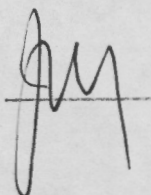
Administrative Conference of the United States
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Foreign Claims Settlement Commission of the United States
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United States Information Agency
National Capital Planning Commission
National Gallery of Art
Smithsonian Institution
United States Soldiers' & Airmen's Home

Decision

Agree: _____

Disagree: _____

Discussion: _____



THE WHITE HOUSE

WASHINGTON

April 25, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JAMES T. LYNN
FROM: JERRY H. JONES
SUBJECT: Exemption of Agencies from Inflation
Impact Statement Requirement

Your memorandum to the President of April 15 on the above subject has been reviewed and your recommendations regarding exemptions were approved.

Also for your information, following is the Counsel's Office comment on the memorandum:

"We accept the memorandum in principle but we have no way of knowing whether a consistent application of the decision to exempt certain agencies has been consistently applied: For example, are there other Regional Development Commissions (other than Appalachian) which should also be exempted? We assume OMB will have some mechanism to police the degree of compliance that is voluntarily elicited."

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld