The original documents are located in Box 6, folder "Consumer Protection Agency (2)" of the Loen and Leppert Files at the Gerald R. Ford Presidential Library.

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ASAMAG 10.4, D.C. 25303

June 28, 1973

Cornema

Honorable Abraham Ribicoff
Chairman, Subcommittee on Reorganization,
Research, and International Organizations
United States Senate
Washington, D.C. 20510

Dear Senator Ribicoff:

This letter is in response to your request for the views of the Office of Management and Budget on S. 707 and S. 1160, bills now pending before your Subcommittee that would establish a Consumer Protection Agency.

Briefly, S. 707, the "Consumer Protection Organization Act of 1973." would establish an independent, nonregulatory Consumer Protection Agency within the Executive Branch. Generally, the Agency would be charged with representing the interests of consumers before Federal agancies and in Federal courts. It would be authorized to intervene in formal and informal proceedings or activities of other Federal agencies and to seek judicial review of their actions in the interests of consumers. The Agency would be authorized to intervene in State or local agency or court proceedings, if requested by that agency or court or a State official. Appropriations of \$20 million in 1974 and \$40 million in 1975 would be authorized to permit the proposed Agency to make planning grants to States and local governments and consumer program grants to States, localities and private consumer organizations. The Agency would gather, by administrative order if necessary, and disseminate consumer information; it would have broad access to information held by other Federal agencies.

S. 707 would also authorize appropriations of \$15 million for 1974, \$20 million for 1975, and \$25 million for 1976 for the direct activities of the Agency. A Council of Consumer Advisers in the Executive Office of the President would be created by S. 707 to assure that consumer interests are being taken into account in formulating and carrying out government policies. The President would be required to submit annually, "A Consumer Report of the President."

Similarly, S. 1160, the "Consumer Protection Act of 1973," would provide for the creation of an independent, nonregulatory Consumer Protection Agency along the lines of S. 707. The proposed Agency in S. 1160 would be limited to intervening in formal agency proceedings of government but not informal ones. Moreover, the Agency contemplated in S. 1160, would not have a right to require judicial reviews of agencies' actions and would have more limited access to Federal agency and privately held information. The proposed new categorical grant program would be limited to State and local governments. S. 1160 also differs from S. 707 in that it would authorize "such sums as are necessary" for carrying out its provisions and it would not create a new unit within the Executive Office of the President.

Generally, the Administration supports two basic features found in S. 707 and S. 1160. As early as October 1969, the President pointed out that "effective representation of the consumer requires that an appropriate arm of the government be given the tools to serve as an advocate before the Federal agencies." Accordingly, the two basic features which we endorse are those features that call for the creation of a consumer advocacy role and a separate Consumer Protection Agency in the Executive Branch.

At the same time, however, we strongly oppose a number of the provisions included in S. 707 and S. 1160. Included among the major undestrable features in these bills are:

The proposed Council of Consumer Advisers. We believe the Council and the proposed annual Consumer Report of the President are unnecessary and undesirable. The creation of another Federal agency in the Executive Office of the President is inconsistent with the recent efforts of the President to streamline his Executive Office and return to the Departments and Agencies those functions which can be better performed by them. The Director of the Office of Consumer Affairs in the Department of Health, Education, and Welfare continues to serve as Special Assistant to the President and in that relationship, the President already has available the consumer viewpoint on policy matters he must address.

A new categorical grant-in-aid program. We believe that the creation of another categorical Federal program is unwarranted. Such a grant program may encourage the creation of another State or local "consumer" bureaucracy. This would be undesirable and it conflicts with the basic philosophy of revenue sharing to return control of programs and the determination of priorities to States and localities. We are also concerned that the administration of a grant program might detract from the new Agency's ability to perform its primary functions, e.g., consumer advocacy before Federal regulatory agencies and courts and information gathering and dissemination.

of office for the Administrator of the proposed Agency and the undesirable limitations on the President's power of removal, particularly in what the bills clearly describe as a "non-regulatory agency." The bills already require Senate confirmation of the Administrator and additional provisions make it difficult for the President to carry out effectively his executive responsibilities.

Broad Authority to Intervene in Informal Agency Proceedings.

We believe it inappropriate for the advocate to participate as a matter of right in informal Federal, State, and local proceedings and activities. We believe that such authority could lead to unnecessary disruption of orderly administrative procedures.

In addition to these undesirable features, we recommend that the Subcommittee delete or revise a number of other objectionable provisions in S. 707 and S. 1160. These include provisions:

- authorizing the annual appropriation of specific sums rather than "such sums as may be necessary."
- -- defining the consumer interest too broadly so that the new Agency will encounter difficulty in concentrating its resources in priority consumer areas.
- -- granting separate power to issue interrogatories to obtain information from private parties and providing other excessively broad information-gathering and disclosure powers.
 - -- apparently by-passing established budgetary, legislative, and statistical reporting review procedures and the requirements established by the Congress in the Budget and Accounting Act of 1921 and the Federal Reports Act.
 - departing from the general practice that litigation be handled by the Department of Justice.

The preceding observations reflect some of the primary concerns about S. 707 and S. 1160 that the Administration wishes to share as your Subcommittee embarks upon public hearings on an appropriate consumer advocacy role. While we share the basic objectives of the legislation being considered, we have fundamental reservations on many of the specific provisions.

We look forward, however, to working with the Congress to develop a bill-within the framework of the principles and concerns we have expressed—that the Administration can support and we would appreciate the opportunity to pursue this goal with members or staff of the Subcommittee.

Sincerely,

/s/ Fred Malek

Frederic V. Halek Acting Director

cc: Do Records

Director's Chron

Director's Reading

Deputy Director

Mr. O'Neill

Mr. Fischer

Mr. Zafra

Mr. Murphy

Mr. Jim Sparling, WH (3)

Mr. Carlucci

Mr. Cavanaugh, WH

Mr. Rommel (Skidmore)

Mr. Mecum/Mr. Bingman

Mr. Eberle

. HRD/Radley/Murphy/Zafra:jat

6/28/73

DEPUTY DIRECTOR OFFICE OF MANAGEMENT AND BUDGET

October 17, 1973

Max -

Per your request.

Fred



THE WHITE HOUSE

WASHINGTON

June 26, 1973

MEMORANDUM FOR

THE RRESIDENT

FROM:

ROY ASH

SUBJECT:

Consumer Protection Agency Legislation

The attached memorandum describes in more detail your options with respect to pending Consumer Protection Agency legislation. Essentially, they are as follows:

Option I

Continue your support of the Holifield/Horton proposal modified to remove its more liberal provisions and leaving the Office of Consumer Affairs in HEW. You proposed such a program in 1969 and in 1971, and there is substantial support in Congress for a Bill.

Option II

Oppose any legislation. This avoids potential for Federal harassment of business, but this would be a reversal of your earlier position, and you would be portrayed as being anticonsumer.

Option III

Oppose any legislation but take administrative action to expand the role of the Office of Consumer Affairs. This has the same pros and cons as Option II but might soften somewhat the anti-consumer image.

RECOMMENDATION:

Virginia Knauer recommends Option I. (Attached at Tab A



are the reasons Virginia Knauer strongly recommends Option I).

Mel Laird believes that Option III would be best if it were not such a clear change of the President's position from the last Congress; as it is, he could support either Option I or Option III.

Cap Weinberger, Fred Dent, Ken Cole, and Bill Timmons recommend Option III.

On balance, I recommend Option I.

Option	I	(Modified Holifie	ld/Horton Bil	11)
Option	II	(No Bill)		
Option	III	(Option II, plus a actions)	administrativ	<i>7</i> e

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

May 23, 1973

MEMORANDUM FOR THE PRESIDENT

Subject: Consumer Protection Agency Legislation

I. BACKGROUND

Last Congress, a compromise bill (Holifield-Horton) to create an independent Consumer Protection Agency passed the House 344-44 with limited Administration support. A similar, more objectionable bill (Ribicoff) reached the Senate floor, but no vote was taken. Both bills have been reintroduced (H.R. 21, S. 707), and the Administration will probably testify in early June. Bill Timmons believes that some form of a Consumer Protection Agency bill will be passed during the 93rd Congress with or without Administration support.

In your October 30, 1969, message to Congress you proposed the Consumer Representation Act which would have created "a new Division of Consumer Protection in the Department of Justice, to act as a consumer advocate before Federal regulatory agencies in judicial proceedings and in government councils." Subsequently, the Advisory Council on Executive Reorganization (Ash Council) was established and you suggested in a February 24, 1971, message that Congress await recommendations you "consider necessary to provide effective representation of consumer interests in the regulatory process. If Congress feels it must proceed on the matter of consumer advocacy prior to receiving my recommendations, then I strongly urge and would support, as an interim measure, the placement of the advocacy function within the Federal Trade Commission." We did not submit a recommendation based on the Ash Council report.

When it became apparent that your organizational preferences were not being actively considered by Congress, the Administration focused upon the Holifield bill. Through discussions with representatives of OMB and the Office of Consumer Affairs, Chairman Holifield was persuaded to adopt many of the Administration's proposals while retaining a separate agency. The resulting bill proposed more limited advocacy powers than your earlier Consumer Representation Act and was reported favorably by Chairman Holifield's committee and passed by the House.



After the Holifield-Horton bill was reported by the committee, and again when it passed the House, Mrs. Knauer, speaking for the Administration, publicly endorsed the bill and later urged in testimony that the Senate enact the House-passed bill.

The House bill would create a separate Consumer Protection Agency which some feel would conflict with the role of other agencies. It would establish a federally funded consumer advocate which can participate or intervene in formal or informal proceedings of other agencies, can request proceedings to be initiated, and can initiate judicial review of formal agency proceedings and intervene in such cases.

The Senate bill contains these provisions and, in addition, would:

- -- provide an Administrator who would serve for a fixed term and would be removable only for cause.
- -- provide for advocate intervention in State and local proceedings.
- -- give independent "discovery" powers to obtain information from business and private persons by administrative order with recourse to the courts.
- -- require submissions directly to Congress on budget and legislative matters.
- -- establish a categorical grant program for consumer activities.

II. ACTION

OPTION I: Continue your support of the Holifield-Horton proposal modified as appropriate. Such modification could include (1) limiting the definition of consumer interests, e.g., to economic aspects and excluding environmental aspects; (2) limitations on advocate intervention powers, e.g., to formal proceedings; and (3) leaving the Office of Consumer Affairs in the Department of Health, Education, and Welfare.

Pros

1. The need for a consumer advocacy program is just as great now as it was when you proposed it in 1969 and 1971. Individual consumers have neither the resources nor the economic stake in particular proceedings to participate effectively in Federal agency proceedings. Though some suggest that one advocate cannot represent the individual interests of 200 million consumers, in practice different constituents of the "consumer interest" can be weighed just as now departments and agencies weigh competing factors to ascertain the "public interests."



- 2. There is substantial support in Congress for a consumer advocate bill. Thus, its enactment may be inevitable. This bill is the most moderate of those likely to be enacted. You would be in a leadership posture in the consumer area by supporting but attempting to constructively modify the bill.
- 3. Holifield and Horton have stated that they will not compromise in the direction of the Senate version if we support them. Thus, you may receive a relatively moderate bill (but one with an independent consumer agency with an advocate function) since the Senate would probably accept the House version if they are faced with a choice between the House bill and no bill at all.
- 4. This would avoid antagonizing Chairman Holifield, thereby maintaining or improving the prospects for your proposals to set up the Community Development and Natural Resources Departments and to extend Presidential reorganization authority.
- 5. This would be more consistent with your earlier position supporting a consumer advocate although you did not propose a separate agency.
- 6. A Federal consumer representation program would tend to forestall or mitigate development of private group advocacy which could obstruct government decisionmaking.

Cons

- 1. New consumer protection legislation is unnecessary. The consumer is already adequately represented by Federal agencies, private groups, advocacy lawyers, and State and local consumer units. Support for a consumer advocacy agency would imply that other government agencies are anticonsumer.
- 2. A consumer advocacy role along the lines of the proposed bills would disrupt other Federal agencies' functions because the advocacy function would encourage intervention in agency deliberations and hearings and throw administrative decisionmaking into the already over-burdened judicial system.
- 3. Consumer interests are often varied, and the Consumer Protection Agency would have to weigh competing consumer interests in forming its position on many issues.
- 4. Rather than represent varied consumer interests, it could tend to reduce the standing in the regulatory process of private groups whose interests are not consistent with those selected by the agency representing the consumer.

5. Creation of a new separate agency is inconsistent with your desire to curb the proliferation of agencies reporting directly to the President.

OPTION II: Oppose any consumer protection legislation.

Pros

- 1. Avoids creation of another independent agency whose activities might conflict and interfere with those of ongoing agencies.
- 2. Avoids the potential for additional and unnecessary Federal harrassment of business.
- 3. In the absence of our support, Holifield-Horton might compromise with the Senate, resulting in a worse bill which should improve further the chances of sustaining a veto. Bill Timmons feels that if business were united, a veto, even of the Holifield-Horton bill, could be sustained. (It is not clear whether business would be united)

Cons

- 1. You would appear to be opposed to consumer interests, and consumer advocates would shift their attack from Congress to the White House. This could be politically costly, when added to higher food prices, the domestic spending bills you will probably veto, and in view of the fact that the Administration supported this legislation in the last Congress.
- 2. Withdrawing our earlier public support would antagonize Chairman Holifield. This could severely jeopardize your organization proposals as discussed under Option I unless ameliorated by enlisting his participation in our energy planning.
- 3. There is a good chance that the bill would pass and a slight chance that a veto would be overridden.
- 4. The bill could be reintroduced next session, and the battle would have to be fought all over again in an election year.
- 5. This would be a reversal of your previous positions.

OPTION III: Oppose any consumer protection legislation but take action to:



-- expand the role of the Office of Consumer Affairs in regard to handling complaints and advising Federal agencies on the consumer interests, and requesting regulatory agencies to insure that consumers have access to regulatory proceedings.

This is similar to Option II and has roughly the same pros and cons. Relative to Option II, however, this option would show some evidence of the Administration's concern for consumers and could weaken support for the Holifield-Horton bill. However, because it does not address the central issue of a consumer advocacy role, the Administration would be strongly criticized by consumer interest groups.

III. RECOMMENDATION"

Virginia Knauer recommends Option I. (Tab A contains Virginia Knauer's analysis.)

Cap Weinberger, Fred Dent, Ken Cole and Bill Timmons recommend Option III.

On balance, I recommend Option I, with the following implementation steps:

- -- Administration testimony should indicate support for the main thrust of the Holifield-Horton bill while pointing out the deficiencies.
- -- We should make it clear to key committee members that any liberalizations of the bill will make the bill unacceptable.

Option	I	(Modified	Holifie	eld-Horton	bill)			· ·		
Option	II	(No bill)								
Option	III	(Option I	I, plus	administra	tive	actio	ns)		:	

Roy L. Ash Director



THE WHITE HOUSE

WASHINGTON

May.31, 1973

MEMORANDUM FOR THE PRESIDENT

FROM:

Virginia H. Kn

RE:

Consumer Protection Agency Legislation

In the attached option paper, some recommend that you abandon your support of a consumer representation program before Federal agencies. I dissent from this view and propose instead that you continue your Administration's support of the Holifield-Horton bill which passed the House last Congress by 344 to 44.

I make this recommendation for the following reasons:

Merits

- -- The Holifield-Horton bill, which the Administration supported publicly in the last Congress, is the most moderate of the consumer representation bills likely to receive serious consideration by the Congress.
- -- This legislation is publicly supported by the American Bar Association and by the current and prior Chairmen of the Administrative Conference of the United States.
- -- The necessity for a consumer advocacy program before Federal agencies, which you pointed out in two messages to the Congress, still exists and would aid the administrative process without overburdening it.
- -- A similar antitrust advocacy program has been conducted by the Antitrust Division of the Justice Department for several years, and those interventions in regulatory proceedings have not frustrated the administrative process.

Political

- -- The Administration publicly supported the Holifield-Horton bill in the last Congress, and a reversal of this position would be widely considered to be a concession of the public interest to bureaucratic convenience and certain business interests.
- -- You have consistently supported legislation establishing a consumer advocacy program at the Federal level, and selecting any of the options other than continued support of the Holifield-Horton bill would be an abandonment of your previous position.
- -- The Republican Platform adopted by our Party last year pledged that we "support the establishment of an independent Consumer Protection Agency to present the consumer's case in proceedings before Federal agencies."
- -- Consumer representation legislation is the most prominent consumer legislation pending in the 93rd Congress, and the Holifield-Horton bill has significant bipartisan support. Abandoning the Administration's support of the Holifield-Horton bill would simply not be worth the political costs, both with the public and with Chairman Holifield's committee.

The need for a consumer representation program is just as great now as when you proposed it in 1969 and 1971. The substantive provisions of the Holifield-Horton bill were drafted with active participation by the Administration to achieve a balanced and responsible measure. I must recommend, therefore, that you approve our continued support of the Holifield-Horton bill.

THE WHITE HOUSE WASHINGTON



Dear Congressman Horton:

I am writing to you with regard to H.R. 13163, the "Consumer Protection Act of 1974," which I understand will be considered by the full Committee on Government Operations on March 14, 1974. The reason for my letter is to state the Administration's general views on the bill and on several specific provisions contained in the subcommittee markup.

It is our view that as a result of the consultations that have occurred between the concerned committees of the Congress and the Administration over the last year, some progress has been made in moving toward responsible consumer protection legislation.

There are, however, several provisions in the bill that are of continuing concern to the Administration.

Interrogatories

As you know, the Administration has been opposed to the establishment of independent interrogatory authority for the proposed Consumer Protection Agency (CPA) since the outset of serious discussions on this type of legislation. H.R. 13163 attempts to deal with this concern by requiring CPA to use the interrogatory power of another Federal agency when the other Federal agency determines that the request meets certain tests. While this approach is certainly superior to the creation of direct CPA interrogatory power, the problem could be solved most simply by deleting the entire section 10(a) of H.R. 13163.

If this section is not removed, then at a minimum, the bill should be amended by requiring CPA to have the duty to justify the proposed use of the Federal agency interrogatory power by showing that such action meets all of the specific tests now included in section 10(a)(l) of the bill. Only when CPA has made this showing, to the satisfaction of the Federal agency concerned, should that agency issue an interrogatory submitted by CPA.

And the second second

Furthermore, we understand that the sponsors of this bill do not intend to permit use of information acquired by interrogatories in Federal agency proceedings involving respondents from whom such information was acquired. The term "pending" on line 11 of page 19 is ambiguous with respect to future Federal agency proceedings and, accordingly, it should be deleted.

Information Availability and Disclosure

Section 10(b) of the bill would provide limitations upon the availability to the CPA of certain classes of information acquired by other Federal agencies. Trade secrets and commercial or financial information might, under section 10(b) (6) (B), be withheld from the CPA only where the acquiring agency determined that the information was not obtainable without a promise of confidentiality. This formulation fails to treat those many instances where a Federal agency might be empowered to obtain such information on a mandatory basis, but - in the interests of efficient and sound administration the Federal agency relies upon the voluntary cooperation of private citizens and entities instead of compulsory process. This means of acquiring information is crucial to prompt acquisition of accurate information for statistical and other purposes, and must not be compromised by mandatory disclosure to other Federal agencies where such disclosure is not required under current law. Accordingly, on line 13 of page 21 of H.R. 13163 the word "voluntarily" should be inserted after the word "obtainable."

Judicial Review

With regard to the CPA's right to seek judicial review of a Federal agency's action, the present safeguards in H.R. 13163 should be substantially strengthened by two amendments.

First, the bill should be amended so that in those instances in which the CPA Administrator did not intervene or participate in a Federal agency proceeding or activity, the Administrator should have an affirmative duty to show that permitting him to obtain judicial review would further the interests of justice. Second, upon the required petition by the Administrator for rehearing by a Federal agency, the Federal agency should be given "a reasonable time" to respond instead of the 60-day limit provided in the present bill.

The first proposed amendment would assure that review in such cases would be consistent with sound administration and that circumstances make it appropriate that the Administrator be afforded a right of review in those instances in which he chose not to participate in the original proceeding or activity. The

60-day requirement for response from a Federal agency to a CPA petition for rehearing would not be as realistic as "a reasonable period." Federal agencies often consider thoroughly the merits of the issues raised in such petitions and to consider properly complex questions involving scientific or technical matters, a 60-day limit would be inadequate.

Exemptions

Section 17 of H.R. 13163 would exempt from the scope of the bill only "the national security or intelligence functions" of the Departments of State and Defense. It is virtually impossible to separate out the activities proposed for exemption with respect to these agencies, all of the functions of which are intended to be integrated to further the foreign relations and national security responsibilities of the U.S. Government. It is apparent that the Departments of State and Defense do not perform regulatory functions. Accordingly, the phrase "the national security or intelligence functions (including related procurement) of in section 17 of H.R. 13163 should be deleted.

Although exemptions such as those now in section 17 of the bill are appropriate and necessary, such exemptions should be limited to agencies which perform sensitive investigatory or national security functions. The exemption for labor disputes and agreements, however, does not meet these criteria; such agreements and disputes should be subject to CPA participation under the safeguards contained in H.R. 13163. Those safeguards are adequate to prevent inappropriate intrusion by the CPA in bilateral negotiations, but since such issues will involve the consumer interest, the CPA should not be prevented from contributing its views in cases where it would be appropriate under the general criteria of this bill and current laws concerning Federal action. Accordingly, all of section 17 after the word "Commission" on line 17 of page 28 should be deleted.

Representation in Judicial Proceedings

Section 6(f) of the bill would authorize CPA to conduct all of its own litigation. Currently, the Justice Department has the discretion to represent all Federal agencies in court proceedings. It is important to assure that the United States adopts consistent litigation postures. Accordingly, the bill should be amended so

that the Justice Department could determine whether or not to represent CPA in all cases. If the Justice Department were to decide not to appear on behalf of CPA, it could be represented by its own attorneys.

Criminal Investigatory Materials

Section 10(b) contains several safeguards concerning CPA access to information from other Federal agencies, and section 17 exempts activities of the Federal Bureau of Investigation. Investigatory files prepared by other agencies in connection with criminal matters are not, however, specifically exempted from disclosure to CPA. We understand that the sponsors of H.R. 13163 do not intend to include such criminal investigatory files in the information obtained regularly by the CPA from other agencies. Accordingly, we believe that an appropriate amendment should be added to the provisions of section 10(b) of the bill to address this specifically.

In summary I strongly recommend that the changes indicated above be adopted by the full committee.

Sincerely,

Roy L. Ash Assistant to the President

Honorable Frank Horton House of Representatives Washington, D. C. 20515

THE WHITE HOUSE

WASHINGTON

March 25, 1975

MEMORANDUM FOR:

JOHN MARSH

THRU:

MAX FRIEDERSDORF

FROM:

VERN LOEN /_

SUBJECT:

Consumer Protection Agency

The House Government Operations Committee is awaiting Senate action before moving on several marjor measures pending before its committee:

H.R.1266 - by Delaney (D-NY) - passed House in 92nd Congress

H.R.1183 - by Wydler (R-NY) - passed House in 93rd Congress

H.R.1942 - by Matzunaga (D-Hawaii) - passed House in 93rd Congress

H.R.2709 - by Patten (D-NJ) - unanalysed as yet

Chairman Brooks has not introduced a bill of his own as yet, nor has Frank Horton, ranking GOP.

THE WHITE HOUSE

April 17, 1975

VERN/CHARLIE

The attached letter is being sent today to Chairman Brooks and Congressman Horton with respect to the consumer legislation being considered by the Government Operations Committee.

Doug Bennett

FOR FILE:

Copy of attached sent to the following (*hand-delivered by DB):

Rhodes Michel Anderson

Speaker Albert O'Neill

McFall

THE WHITE HOUSE WASHINGTON

April 16, 1975

Dear Mr. Chairman:

In the interest of protecting the American consumer, I am directing department and agency heads, in coordination with the Domestic Council, to review Executive branch procedures to make certain that consumer interests receive full consideration in all Government actions.

To be frank, I recognize the legitimate public and Congressional concerns that the interests of consumers have not always been adequately considered by Federal departments and agencies. This must be changed. Therefore, I am asking agency heads to examine the specific efforts they are making now to represent the consumer in their agencies' decisions and activities and to work with Virginia Knauer, my Special Assistant for Consumer Affairs, in instituting additional efforts which the agencies can undertake to better represent consumer interests.

In examining their present procedures and in establishing new ones, department and agency heads will follow these guidelines:

All consumer interests should receive a fair chance to be heard in the Government decision making process; and

The costs and administrative requirements of Federal rules and regulations on the private sector should be held to a minimum.

Regulatory reform is one of the most important vehicles for improving consumer protection. Outdated regulatory practices lead to higher prices and reduced services. I urge the Congress to enact a number of specific legislative proposals in this regard, including the bill I submitted in January to establish a Regulatory Review Commission. I renew my request to the Congress to repeal outdated fair trade laws which raise prices and to reform many of the existing banking laws and

regulations which penalize small savers. I will soon request legislation to overhaul our system of transportation regulation to allow freer competition, improved services, and lower prices.

I also intend to ask the chairmen and members of the independent regulatory agencies to meet with me to discuss ways they can make immediate improvements in the regulatory process. I am determined that the public will receive the most efficient and effective public service at the least cost.

In view of the stee that are being taken by the Executive department to make Government-wide improvements in the quality of service to the consumer, I am requesting that the Congress postpone further action on S. 200, which would create a new Federal Agency for Consumer Advocacy.

I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of \$60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving the underlying structure.

It is my conviction that the best way to protect the consumer is to improve the existing institutions of Government, not to add more Government.

I look forward to working with you, the members of your Committee, and the Congress in advancing the interests of all consumers within our existing departments and agencies.

Sincerely,

May A. L.

The Honorable Jack Brooks

Chairman

House Government Operations Committee

House of Representatives

Washington, D.C. 20515

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF A LETTER FROM THE PRESIDENT TO THREE MEMBERS OF CONGRESS

April 17, 1975

Dear Mr. Chairman:

In the interest of protecting the American consumer, I am directing department and agency heads, in coordination with the Domestic Council, to review Executive branch procedures to make certain that consumer interests receive full consideration in all Government actions.

To be frank, I recognize the legitimate public and Congressional concerns that departments and agencies be more responsive to the interests of consumers. This must be changed. Therefore, I am asking agency heads to examine the specific efforts they are making now to represent the consumer in their agencies' decisions and activities and to work with Virginia Knauer, my Special Assistant for Consumer Affairs, in instituting additional efforts which the agencies can undertake to better represent consumer interests.

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In view of the steps that are being taken by the Executive department to make Government-wide improvements in the quality of service to the consumer, I am requesting that the Congress postpone further action on S. 200, which would create a new Federal Agency for Consumer Advocacy.

I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of \$60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving the underlying structure.

It is my conviction that the best way to protect the consumer is to improve the existing institutions of Government, not to add more Government.

I look forward to working with you, the members of your Committee, and the Congress in advancing the interests of all consumers within our existing departments and agencies.

Sincerely,

GERALD R. FORD

The Honorable Abraham A. Ribicoff Chairman Senate Government Operations Committee United States Senate Washington, D.C. 20510

The Honorable Jack Brooks Chairman House Government Operations Committee House of Representatives Washington, D.C. 20515

The Honorable Harley O. Staggers Chairman House Interstate and Foreign Commerce Committee House of Representatives Washington, D.C. 20515

#

THE WHITE HOUSE

WASHINGTON

June 3, 1975

MEMORANDUM FOR:

MAX FRIEDERSDORF

THRU:

VERN LOEN

FROM:

CHARLES LEPPERT, JR.

S LEFFERI, JR.

SUBJECT:

Agency for Consumer Advocacy

Sam Steiger (R-Arizona) has asked for a briefing on the Administration's position and arguments against S. 200, the Agency for Consumer Advocacy bill which passed the Senate.

Steiger wants to be helpful and is prepared to fight the bill in the House Committee on Government Operations. He says he doesn't think he can hold the bill in Committee but with Administration help he is hopeful of building a record in opposition prior to the bill being cleared for House floor action.

Hearings are anticipated to begin this month in House Government Operations Committee. I suggest that Sam Steiger be given the opportunity to be the Administration spokesman on this bill because the Ranking Minority Member, as you know, is in support of this concept and in the form of his own bill.





EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

July 21, 1975

MEMORANDUM FOR:

VERN LOEN

FROM:

ALAN M. KRANOWITZ AMK

SUBJECT:

H.R. 6844, THE "CONSUMER PRODUCT SAFETY

COMMISSION IMPROVEMENTS ACT"

For your information, attached is a copy of a letter which Jim Lynn sent to the House Minority Leader relative to the reasons why the Administration objects to H.R. 6844, which is due to be considered on the House Floor before the August recess.

Rhodes will put the letter in the Congressional Record and do a "Dear Colleague" on it.

The last paragraph, relative to repeal of Subsection 27(k) of the existing law is of special concern to the President and is the subject of a meeting to be held in the near future among Messrs. Lynn, Friedersdorf, Marsh, Buchen, et. a. (The meeting was originally scheduled for last Friday, but was scrubbed at the last minute).

Attachment

cc: Max Friedersdorf Charlie Leppert Tom Leoffler



Honorable John J. Rhodes House of Representatives Washington, D. C. 20515

Dear Congressman Rhodes:

We would like to call to your attention a number of problems in H.R. 6844, the "Consumer Product Safety Commission Improvements Act." We understand that H.R. 6844 is scheduled for House floor action in the near future.

We strongly object to Section 4 since it ignores the principle of the career/noncareer distinction in the Federal civil service system. CPSC would be allowed to appoint individuals to career civil service positions without having to comply with the rules and regulations governing such appointments applicable throughout the civil service system.

Section 12 of H.R. 6844 would authorize the Consumer Product Safety Commission (CPSC) to represent itself in all civil enforcement and subpoena enforcement proceedings. We strongly oppose this section because it violates the long-standing tradition of Justice Department control over the conduct of Federal litigation. Centralization of Federal litigation is necessary to present a uniform position on important legal issues before the courts, to exercise selectivity in the filing and presentation of cases in order to place the Government's position in the most favorable light, to provide greater objectivity in the handling of cases, and to achieve better rapport with courts through the daily working relationships developed by U.S. Attorneys.

We understand that the Civil Service Commission and the Department of Justice will be submitting letters to you shortly which discuss the above objections to Sections 4 and 12 in more detail.



H.R. 6844 would authorize \$51 million for fiscal year 1976, \$14 million for the transition quarter, \$60 million for 1977, and \$68 million for 1978. We believe that these appropriations authorizations in H.R. 6844 are excessive. We recommend that, they be amended to be consistent with the President's Budget request for CPSC of \$36.6 million for 1976 and \$9 million for the transition quarter.

We also recommend repeal of Subsection 27(k) in the Consumer Product Safety Act, which provides for simultaneous submission to the Office of Management and Budget and Congress of all budget request and legislative information. Our experience during CPSC's three years of operation has been that this provision leads to confusion. Subsection 27(k) also prevents the coordination of legislative recommendations among CPSC and other Federal agencies. It does not allow CPSC to benefit from the views of other affected agencies before submitting its legislative proposals, or to comment on the legislative proposals of other Federal agencies before congressional submission. The provision, therefore, prevents necessary issue development and dialogue within the Executive Branch. Repeal of Subsection 27(k) would help assure maximum effectiveness of both CPSC and other Federal agencies through better coordination and development of consistent programs.

For all of the above reasons, the Office of Management and Budget strongly urges that H.R. 6844 be amended as recommended above.

Sincerely yours,

(signed) James T. Lynn

James T. Lynn Director

AGENCY FOR CONSUMER PROTECTION H.R. 7575

What the bill does:

H.R. 7575 would establish an independent Federal agency, the Agency for Consumer Protection, to represent consumer interests before other Federal agencies and the courts. ACP would be able to:

- -- intervene in any proposed Federal action which "substantially affects consumer interests." The judgment of what substantially affects consumer interests would be made by ACP;
- -- participate, as a matter of right, in both formal and informal agency activities and seek review by the courts of agency decisions;
- -- require that industries provide information under its own independent interrogatory authority; and
- -- require other Federal agencies to provide trade secrets and financial information in their possession.

What is wrong with the bill:

The bill is undesirable because:

- -- There is no such thing as a single consumer interest that the agency could fairly represent.
- -- The proposed agency would complicate Federal agency decision-making, and add more cost to the taxpaying consumer.
- -- An ACP could violate the right of privacy of individuals and organizations through the use of the proposed information-gathering powers.
- -- It would add a new layer of Federal bureaucracy -- costing \$60 million over three years and requiring an additional 800 to 1,000 Federal employees -- at a time when we need to reduce both the size and the cost of government.
- -- Adequate protection of consumer interests can be provided by existing Federal agencies, which are already required by law to advance the public interest, including consumer interests.

Actions to Protect Consumer Interests Underway in the Executive Branch (which Congress should support) are:

- 1. President Ford on April 17, 1975, asked agency heads to examine the efforts they are now making to represent the consumer in their agencies decisions and activities and to work with Virginia Fnauer, his Special Assistant for Consumer Affairs, in improving their efforts.
- 2. On July 10, 1975, the President met with the Commissioners of the ten independent regulatory commissions to discuss the importance of regulatory reform and to urge the commissions to increase the representation of consumer interests in the agency proceedings.

- 3. The President has issued Executive Order 11821 calling on all Executive Branch agencies to conduct inflation impact analysis of all their proposals for major legislation and regulations.
- 4. On August 11, 1975, the President signed into law the extension of the Council on Wage and Price Stability through FY 1977.
- 5. The President has endorsed the repeal of the fair trade laws which govern many retail prices and prevent consumers from benefiting from discount prices and real competition.
- 6. The Railroad Revitalization Act and the Aviation Act of 1975 have been submitted to the Congress to increase pricing flexibility, to encourage competition, to produce better service, and to lower costs. A similar proposal relating to trucking companies will be proposed in the near future.
- 7. The President has resubmitted the Financial Institutions Act which would provide for more competitive returns on savings accounts to small savers and more diversified services to all customers.
- 8. The President signed into law the Securities Act Amendments of 1975 on June 4, 1975, to abolish fixed commission rates among stockbrokers and to establish a national market system.

Administration Position

The President announced on September 4, 1975, in Seattle, Washington that he planned to veto any bill to create a Consumer Protection Agency.

Action taken by the Senate:

The Senate passed by a vote of 61 to 28, S. 200 on May 15, 1975. H.R. 7575 is different from S. 200 in the following ways:

- 1. H.R. 7575 has no small business exemption, while S.200 does.
- 2. H.R. 7575 excludes labor matters and national security and intelligence functions of DOD, State and ERDA, while S. 200 exempts the above as well as FCC licensing, agricultural and Alaska pipeline matters.
- 3. H.R. 7575 has no provision for cost/benefit assessment, while S. 200 does.
- 4. H.R. 7575 has no provision for dual prosecution, while S. 200 has the authority to intervene in civil court enforcement proceedings in any way.
- 5. H.R. 7575 has more restricted authority on participating in agency proceedings under the Administrative Procedures Act.
- 6. H.R. 7575 has no safeguard for public disclosure of information, while S. 200 requires prior notice to source when information is potentially damaging.
- 7. H.R. 7575 has no fixed term for the Administrator, while S. 200 sets a 4 year term.
- 8. H.R. 7575 contains no provision for an annual report on consumer representation funding in other agencies from both the Congressional Budget Office and OMB, while S. 200 does.
- 9. H.R. 7575 require an annual report in January with legislative recommendations, while S. 200 requires an annual report in April with legislative recommendations and funding levels for the next 3 years.

THE WHITE HOUSE

WASHINGTON

October 29, 1975

MEMORANDUM FOR:

MAX FRIEDERSDORF

THROUGH:

VERN LOEN

FROM:

TOM LOEFFLER

SUBJECT:

Outside Whip Count on

Consumer Protection Legislation

Attached is a list of 199 Members who supposedly are opposed to the Consumer Protection legislation. In addition, there is also a list of 58 Members who have indicated they are undecided or leaning in opposition to such legislation.

Attach.

cc: Charlie Leppert

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CRANE (R-IL)

DANIEL (D-VA)

DANIEL (R-VA)

DE LA GARZE (D-TX)

DELANEY (D-NY)

DENT (D-PA)

DERRICK (D-SC)

DERWINSKI (R-IL)

DEVINE (R-CH)

JONES (D-OK)

JONES (D-OK)

KASTEN (R-WI)

KAZEN (D-TX)

KELLY (R-FL)

KEMP (R-NY)

KETCHUM (R-CA)

KINDNESS (R-OH) KEMP (R-NY)
KETCHUM (R-CA)

KINDNESS (R-OH)

DODD (D-CT)
KRUEGER (D-TX)

DOWNING (D-VA)
LAGOMARSINO (R-CA)

LANDRUM (D-GA)

EDWARDS (R-AL)
LATTA (R-OH)
EMERY (R-ME)
ENGLISH (D-OK)
ERLENBORN (R-IL)

LITTON (D-NO)

ROUSSELOT (R-CA) RUNNELS (D-NM) RUPPE (R-MI) SANTINI (D-NV) SARASIN (R-CT) SATTERFIELD (D-VA) SCHNEEBELI (R-PA) SCHULZE (R-PA) SHRIVER (R-K SHUSTER (R-P. SIKES (D-FL) SKUBITZ (P. SMITT SEBELIUS (R-KS) SHRIVER (R-KS) SHUSTER (R-PA) SKUBITZ (R-KS)

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SNYDER (R-KY)
SPENCE (R-SC)
STANTON (R-OH)
STEELMAN (R-TX)
STEIGER (R-AZ)
STEIGER (R-WI)
STEPHENS (D-GA)
STUCKEY (D-GA)
SYMINGTON (D-MO)
SYMMS (R-ID)

TAYLOR (R-MO)
TAYLOR (D-NC)
TEAGUE (D-TX)
THONE (R-NE)
TREEN (R-LA)
VANDER JAGT (R-MI)
WAGGONNER (D-LA)
WALSH (R-NY)
WAMPLER (R-VA)
WHITE (D-TX)

WHITEHU WHITTEN WIGGINS	N (D- S (R-	MS) -CA)
WILSON WINN (F WYLIE YOUNG YOUNG	R-KS) (R-OH	i)

199

TARGETS -- Underided or Leaning Aget. Bill

ADAMS (D-WA)
ALBERT (D-OK)
BAUCUS (D-MT)
BLOUIN (D-IA)
BONKER (D-WA)
BRADEMAS (D-IN)
BURKE (D-MA)
COHEN (R-ME)
CONTE (R-MA)
D'AMOURS (D-NH)
DANIELSON (D-CA)
duPONT (R-DE)
EARLY (D-MA)
FENWICK (R-NJ)
FLORIO (D-NJ)
GILMAN (R-NY)
HALL (D-IL)
HAMILTON (D-IN)
HANNAFORD (D-CA)
HARKIN (D-IA)

HECKLER (R-MA) JACOBS (D-IN) JEFFORDS (R-VT) LEHMAN (D-FL) LONG (D-LA) MCDADE (R-PA) MCHUGH (D-NY) MCKAY (D-UT) MADDEN (D-IN) MAGUIRE (D-NJ) MAZZOLI (D-KY) MEYNER (D-NJ) MINETA (D-CA) MINISH (D-NJ) MITCHELL (R-NY) MOORHEAD (D-PA) MYERS (R-PA) NOWAK (D-NY) O'BRIEN (R-IL) PEPPER (D-FL)

PATTERSON (D-CA) PATTISON (D-NY) PEYSER (R-NY) ROE (D-NJ) ROSTENKOWSKI (D-IL) RUSSO (D-IL) SHIPLEY (D-IL) STEED (D-OK) STRATION (D-NY) SULLIVAN (D-MO) TALCOTT (R-CA) THORNTON (D-AR) ULLMAN (D-OR) WILSON (D-CA) WYDLER (R-NY) YATRON (D-PA) YATES (D-IL) YOUNG (D-TX)

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ANDERSON (B-IL)

BAFALIS (B-IL)

BARDALIS (B-I ABDNOR (R-SD) ALEXANDER (D-AR) MCCOLLISTER (R-NE) MONTGOMERY (D-MS) RISENHOOVER (D-OK) SARADINA SATTERFIELD (D-VA) SCHNEEBELI (R-PA) SCHULZE (R-PA) SEBELIUS (R-KS) SHRIVER (R-KS) SHUSTER (R-PA) SIKES (D-FL) SKUBITZ (R-KS) SMITH (R-NE) SATTERFIELD (D-VA)

SNYDER (R-KY)
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STANTON (R-OH)
STEELMAN (R-TX)
STEIGER (R-AZ)
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WHITEHURST (R-VA)
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WYLIE (R-OH)
YOUNG (R-FL)
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1. <u>Legislative Bypass</u>: Section 4(d) authorizes the Agency for Consumer Protection (ACP) Administrator to submit to Congress and the President an annual report, including recommendations for new legislation. If the intent is to make ACP's submissions to the President and Congress simultaneous, then ACP would be removed from the process by which other agencies review prospective legislative proposals.

Such an arrangement would be detrimental to the free flow of dialogue and issue development within the executive branch, and would be contrary to the best interests of all executive agencies, including ACP. The President is responsible for balancing the interests of all executive agencies with respect to new legislation. He also must try to assure that their various policies are formed with the benefit of exposure to analysis by other interested agencies, in order that they be as effective as possible. Section 5(b)(7) also requires ACP to keep the appropriate congressional committees "fully and currently informed"—a provision which could be held to justify the same Administration bypass as above. This provision is so broad as not to be practical guidance to the Administrator.

2. Representation of Consumers: Section 6(a) allows the Administrator to participate or intervene in any action which

may "substantially" affect an interest of consumers. This provision is in contrast to a more reasonable requirement that the Administrator has to reach a consensus on competing consumer interests. The current language allows ACP to selectively pick and choose which consumer interest to represent. An ACP determination as to which interest of consumers is to be represented would apparently not be reviewable.

- 3. <u>Judicial Representation</u>: Section 6(f) would authorize ACP to represent itself in court, thus violating the long-standing tradition of Justice Department representation of Federal agencies. Justice Department representation is necessary in order to assure that the United States adopts consistent litigation postures, and is consistent and fair in its law enforcement.
- 4. Interrogatories: Section 10(a)(1) grants ACP sweeping authority to issue interrogatories to private parties. Such authority is unwarranted for an agency whose primary function is advocacy rather than regulation. Agencies provided subpoena and interrogatory authority normally have regulatory and law enforcement functions. ACP would not be a regulatory or law enforcement agency in the usual sense, but is expected to be a partisan advocate of a particular point of view.

The access to compulsory process, therefore, should be comparable to that available to other parties in administrative proceedings. ACP should have equal access to the full array of a host agency's subpoena power when it participates in a structured proceeding; and the information it seeks through subpoena and interrogatories should be limited to that which "substantially affects the health or safety of consumers," is relevant to the purposes for which the information is sought, and is not "unnecessarily burdensome" to the respondent or the Federal agency processing the interrogatory.

5. ACP Access to Information: Section 10(b) authorizes
ACP to collect information from other government agencies.
Federal agencies may deny ACP access to information only
under a few specified conditions which are too narrow to
prevent inapproprite ACA access. Section 10 (b) (6), for
example, prohibits ACA from collecting information which would
disclose financial conditions of individuals who are customers
of financial institutions, but the prohibition is limited to
individuals. Moreover, while Section 10 (b) (2) exempts
"prosecutorial recommendations," it fails to do so for other
criminal investigative files.

Moreover, Section 10(b)(6)(B) would deny ACP access to trade secrets only when the information was obtained with a written promise of confidentiality. This formulation fails

to treat those many instances where a Federal agency might be empowered to obtain such information on a mandatory basis, but—in the interests of time and efficiency—the agency relies on the voluntary cooperation of private parties instead of compulsory process. This means of acquiring information is crucial to prompt acquisition of accurate information, and must not be compromised by mandatory disclosure to other Federal agencies where such disclosure is not required under current law.

- 6. Public Disclosure of Information: Unlike S. 200 and H.R. 13163 in the 93rd Congress, Section 11 does not require ACP to notify the source of information (other than public complaints) before public disclosure if the information is likely to cause "substantial injury to the reputation or good will of a person or company." Such a notification is essential to avoid the possible release of inaccurate or incomplete information, which could do unjustified and irreparable damage to the source of the information.
- 7. Exemptions: Section 18 exempts all Federal agency activities dealing with labor disputes from ACP scrutiny, although labor disputes often affect substantial and vital consumer interests. On the other hand, H.R. 7575 exempts only the national security or intelligence functions of the Department of Defense, State Department, and the Energy Research and Development Administration—rather than these agencies as a whole. Full exemptions are necessary in order to safeguard the many sensitive activities of these agencies.

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 of Federal agencies. Justice Department representation is

 necessary in order to assure that the United States adopts

 consistent litigation postures, and is consistent and fair

 in its law enforcement.
- 4. <u>Interrogatories</u>: Section 10(a)(1) grants ACP sweeping authority to issue interrogatories to private parties. Such authority is unwarranted for an agency whose primary function is advocacy rather than regulation. Agencies provided subpoena and interrogatory authority normally have regulatory and law enforcement functions. ACP would not be a regulatory or law enforcement agency in the usual sense, but is expected to be a partisan advocate of a particular point of view.

Its access to compulsory process, therefore, should be comparable to that available to other parties in administrative proceedings. ACP should have equal access to the full array of a host agency's subpoena power when it participates in a structured proceeding; and the information it seeks through subpoena and interrogatories should be limited to that which "substantially affects the health or safety of consumers," is relevant to the purposes for which the information is sought, and is not "unnecessarily burdensome" to the respondent or the Federal agency processing the interrogatory.

5. ACP Access to Information: Section 10(b) authorizes
ACP to collect information from other government agencies.
Federal agencies may deny ACP access to information only
under a few specified conditions which are too narrow to
prevent inapproprite ACA access. Section 10 (b) (6), for
example, prohibits ACA from collecting information which would
disclose financial conditions of individuals who are customers
of financial institutions, but the prohibition is limited to
individuals. Moreover, while Section 10 (b) (2) exempts
"prosecutorial recommendations," it fails to do so for other
criminal investigative files.

Moreover, Section 10(b)(6)(B) would deny ACP access to trade secrets only when the information was obtained with a written promise of confidentiality. This formulation fails

to treat those many instances where a Federal agency might be empowered to obtain such information on a mandatory basis, but—in the interests of time and efficiency—the agency relies on the voluntary cooperation of private parties instead of compulsory process. This means of acquiring information is crucial to prompt acquisition of accurate information, and must not be compromised by mandatory disclosure to other Federal agencies where such disclosure is not required under current law.

- 6. Public Disclosure of Information: Unlike S. 200 and H.R. 13163 in the 93rd Congress, Section 11 does not require ACP to notify the source of information (other than public complaints) before public disclosure if the information is likely to cause "substantial injury to the reputation or good will of a person or company." Such a notification is essential to avoid the possible release of inaccurate or incomplete information, which could do unjustified and irreparable damage to the source of the information.
- 7. Exemptions: Section 18 exempts all Federal agency activities dealing with labor disputes from ACP scrutiny, although labor disputes often affect substantial and vital consumer interests. On the other hand, H.R. 7575 exempts only the national security or intelligence functions of the Department of Defense, State Department, and the Energy Research and Development Administration—rather than these agencies as a whole. Full exemptions are necessary in order to safeguard the many sensitive activities of these agencies.

Comparison of Major Provisions of S. 200 and H.R. 7575

Provision	S. 200	H.R. 7575
Title	"Consumer Protection Act of 1975"	"Consumer Protection Act of 1975"
Agency Name	Agency for Consumer Advocacy (ACA)	Agency for Consumer Protection (ACP)
Term of Administrator	4-year term, conterminous with term of the President;	No provisions
	Removal for cause only	
Legislative and Budget Bypass	An annual report in April with legislative recommendations and funding levels for the next 3 years	Annual report in January with legislative recommendations
Representation of Consumers	Broad and non-reviewable right to intervene in any action which "substantially" affects a consumer interest	Same as S. 200
Participation in Agency Proceedings	Sweeping authority to participate in hearings, including those conducted only by "regulation or practice" (e.g., internal budget hearings)	More restricted authority, hearings under the Administrative Procedures Act
Dual Prosecution	Authority to intervene in civil court enforcement proceedings in any way	No similar provision
Judicial Representation	ACA represents itself	ACP represents itself
Interrogatories	Independent interrogatory authority	Independent inter- rogatory authority

•						
Provision	S. 200	H.R. 7575 No exemption				
Small Business Exemption	Exempted from interrogatories					
Access to trade secrets and financial information possessed by other agencies	ACA denied information only if originally acquired with written promise of confidentiality	Same as S. 200				
Access to criminal investigative files	Exemption for prosecutorial recommendations only	No explicit exemption				
Exemptions	Labor, FCC licensing, agri- cultural and Alaska pipeline matters exempted; only national security and intelligence func- tions of DOD, State and ERDA exempted					
Cost-Benefit assessments	required for all Federal agency proposed rules, regulations, or legislation; inflation impact statements abolished	No provision				
Reporting of consumer representation funding in other Federal agencies	Annual report required from both the Congressional Budget Office and OMB	No provision				
Public dis- closure of information	Prior notice requirement to source when information is potentially damaging	No such safeguard				

RED.TAC.

Charles Leppert

THE WHITE HOUSE

WASHINGTON

October 31, 1975

Roosevelt Room Morday, Nov. 3 10:00 am to 11:30 am

MEMORANDUM FOR:

MAX FRIEDERSDORF

FROM:

VERN LOENVL

SUBJECT:

Consumer Protection Agency strategy

- 1. Rhodes and Erlenborn feel that a Republican Conference would be counter-productive in that it would give proponents a forum favorable GOP whip check also indicates Republican Conference is unnecessary. GOP leaners are being worked heavily.
- 2. Republican Policy Committee will meet Monday to issue a strong statement against the bill.
- 3. Kathleen Ryan, of the Domestic Council, is providing resource material for distribution on the Hill. Have asked specifically for arguments against the labor exemption. Rep. Don Fuqua (D-Fla.) will offer an amendment to strike the labor exemption. Millicent Fenwick (R-N.J.) and John McCollister (R-Neb.) plan to offer amendments to exempt small business. Erlenborn will resist all amendments in hopes of keeping the bill as dirty as possible.
- 4. In view of the favorable vote count, Erlenborn has persuaded James Quillen (R-Tenn.) not to fight the rule.
- 5. We have initiated actions to obtain the Democratic whip count if there is one. We also have the 58 target Democrats listed in Tom Loeffler's memorandum to you of October 29.
- 6. Erlenborn has called a meeting of the key players for Tuesday afternoon to go over all arguments and finalize floor strategy. He is sending out a "dear colleague" letter today.
- 7. I understand the President or Ron Nessen will be issuing a statement before the vote indicating the Executive actions to protect consumers that have been undertaken as a result of his initiatives.

- Bryce Harlowe and the outside groups met with Dennis Taylor again today and are all fired up about chances of killing the bill outright. They are working hard as reflected by mail Members are receiving. Consumer groups also are working in favor of the bill. AFL-CIO probably will be concerned mainly with the labor exemption since they feel they have the votes to pass the bill.
- 9. Aside from working on the Republican leaners, I would recommend a Roosevelt Room meeting at 9:30 or 10:00 a.m. Monday with the following participants: Our staff, Domestic Council and OMB representatives, Sol Mosher, Jim Sparling, John Foltz, LaMar Baker and Hill representatives - Erlenborn, if possible, Dennis Taylor, Ralph Vinovich, Ed Fuelner of Marjorie Holt's group and Gray Armistaead of Dave Satterfield's This would be for the purpose of exchanging information and assigning targets primarily among the 58 Democratic and Republican leaners. Assuming you concur, I have made a tentation reservation for the Roosevelt Room from 10:00 to 11:30 a.m. Monday.

NOU. 3-

REPUBLICAN WHIP—ROBERT H. MICHEL

Tally Sheet Will you vote for or against H.R.7575?

94th Congress

Western and F			_	/	Midwestern States (Myers)				
	FOR	Agains	Und.	N/R		-Ves-	-140	Und.	N/I
California				-	Indiana				
Bell		-			Hillis				
Burgener		-			Myers				
Clausen					Iowa				
Clawson					Grassley		1		
Goldwater					Michigan	1			
Hinshaw					Broomfield		-		
Ketchum					Brown				
Lagomarsino (ARW)					Cederberg				
McCloskey			1		Esch.				
Moorhead				1	Hutchinson				
Rousselot				-	Ruppe				
							-		
Talcott					Vander Jagt				
Wiggins					Minnesota		-		
Wilson		-			Frenzel (ARW)				
					Hagedorn				
Alaska			_		Quie	-	-		
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Rhodes					Ohio				
Steiger					Ashbrook				
Colorado			,		Brown		-		
Armstrong (ARW)		-			Clancy				
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Idaho					Gradison				-2
		-					-		
Hansen		-			Guyer				
Symms					Harsha				
New Mexico					Kindness		-		
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Washington				-	Miller				
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Andrews					Hyde		1		
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Jarman					McClory		-		
South Dakota					Michel		-		
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REPUBLICAN WHIP—ROBERT H. MICHEL

Tally Sheet

94th Congress

Border and Southern (Young)						FOR	I Aggin E		New England and Mid-Atlantic (McDade)				
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Gude		-			McKinney				-				
Holt					Sarasin								
Bauman					Delaware								
Missouri					duPont								
Taylor (ARW)		-			Maine	-							
Kentucky		1			Cohen								
Carter					Emery								
Snyder					Massachusetts		28						
Tennessee					Conte (ARW)								
Beard		-	a		Heckler								
Duncan					New Hampshire								
Quillen		-			Cleveland about				-				
Florida					New Jersey		- 11-						
Bafalis					Fenwick			-					
Burke					Forsythe								
Frey					Rinaldo								
Kelly					Vermont				1998				
Young					Jeffords								
North Carolina					New York								
Broyhill					Conable								
Martin		-			Fish								
South Carolina					Gilman								
Spence				-	Hastings		-						
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					Eshleman								
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Lott.					Schneebeli		-						
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Collins		-			-	-	1-	-	10				
Steelman		-	·		_ Total	5	13	7	10				
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(Rev. Feb. 1975)

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