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Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET

ADMINISTRATION'S REGULATORY REFORM PROGRAM

President Ford has adopted as a principal goal of his Administration the reform of Government regulation. He has ordered a critical review of all Federal regulatory activities to eliminate regulations which are obsolete and inefficient in today's economic environment -- regulations that contribute to higher prices, reduced efficiency, less consumer choice, and fewer imaginative ideas. The goal of the President's program is the development of a rational and efficient regulatory system serving today's needs.

BACKGROUND

Regulatory reform is not a new idea. The need for reform has been recognized by every President since Harry S Truman. However, changing economic conditions have increased public awareness of the need for reform. On August 25, 1975, President Ford said: "We will establish as a national policy of economic life, that Government regulation is not an effective substitute for vigorous American competition in the marketplace." The opportunity for change is greater than ever before. Therefore, the Administration has initiated an unprecedented program of legislative and administrative action:

PRINCIPAL OBJECTIVES OF THE PROGRAM

1. Benefit consumers by encouraging increased competition. Competition fosters innovation, encourages new business, creates new jobs, ensures a wide choice of goods and services and helps to keep prices at reasonable levels. By eliminating arbitrary barriers to entry and increasing pricing flexibility, the Administration hopes to restore competition in the regulated sectors of the economy.
2. Increase understanding of the costs of regulation. Often the real costs of regulatory activities are hidden from public view. Inefficient and outdated regulation costs consumers billions of dollars every year in unnecessarily high prices. The Administration believes that these costs should be subject to the same critical attention devoted to the Federal budget.
3. Improve methods of achieving the objectives of regulation. In many instances, regulation is necessary, particularly in the health and safety areas. However, regulation can impose a considerable cost burden on the consuming public and on business. The Administration is concerned that public protection be achieved in the most efficient manner.

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4. Substitute increased antitrust enforcement for administrative regulation. In the past, regulation has often been a substitute for competition. The Administration is seeking to reverse this pattern and believes that antitrust enforcement has an important role in keeping costs and prices down.

THE ADMINISTRATION'S PROGRAM

Last October, the President initiated the reform program by asking Congress to sponsor jointly a National Commission on Regulatory Reform to study the problems of Government regulation; but so far, no action has been taken by Congress. Accordingly, the Administration is pursuing specific reform initiatives.

- Inflation Impact Analysis. Departments and Agencies are now required to analyze the inflationary impact of major legislative proposals, rules and regulations. This requirement is designed to measure the economic cost of Government regulations.
- Council on Wage and Price Stability. One of President Ford's first official actions was creation of the Council to monitor the economy and to evaluate the economic impact of Government policies and regulations. Now, in its second year, the Council is placing increased emphasis on identification of regulatory practices which create unnecessary cost burdens for consumers.
- Expanded Antitrust Activity. In addition to providing for increased antitrust enforcement resources, the Administration is questioning antitrust immunity now granted to numerous industries. Many of the Administration's legislative proposals will eliminate antitrust exemptions which are unnecessary and restrain competition.
- Independent Regulatory Commissions. The President has met with the Commissioners of the 10 independent Regulatory Agencies to emphasize the importance of regulatory reform. He has asked the Commissioners to: analyze the economic costs and benefits of their actions; reduce regulatory delays; better represent consumer interests; and eliminate outdated regulation.
- Commission on Federal Paperwork. The Commission has been established to study the impact of Government reporting requirements on businesses and individuals. To assure action in the short-run, the Administration is working now to eliminate unnecessary Government paperwork requirements.
- Transportation Regulatory Reform. The Administration has developed specific legislative proposals to reform transportation economic regulation.

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- . The Railroad Revitalization Act submitted in May seeks to rebuild a healthy, progressive rail system by eliminating outdated regulatory restrictions. It will enable the railroads to compete better with other forms of transportation.
- . The Aviation Act of 1975 was introduced in October and will improve the airline regulatory environment by fostering price competition and by allowing existing airlines to serve new markets and new carriers to enter the industry.
- . The Motor Carrier Reform Act will increase competition in the motor carrier industry and provide shippers and consumers with a wider range of services and prices.
- Fair Trade Laws. The Administration strongly supports the repeal of Federal legislation permitting States to have fair trade laws. These laws, which allow manufacturers to dictate the retail price for their products, have been estimated to cost consumers \$2 billion per year.
- Financial Institutions Act. The Administration submitted in March the Financial Institutions Act which will enable small savers to earn higher interest on savings accounts and provide more diversified financial services to all customers.
- Securities. President Ford signed the Securities Act Amendments of 1975 in June to promote competition among stockbrokers and to establish a national stock market system.
- Energy. To help assure adequate supplies of energy, the Administration has proposed legislation to de-regulate the price of new natural gas and old oil.

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