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MAR 30 1976

THE WHITE HOUSE

WASHINGTON

March 30, 1976

MEMORANDUM FOR SENIOR WHITE HOUSE STAFF

FROM: EDWARD C. SCHMULTS 

SUBJECT: Regulatory Reform Status Report

Attached is the latest update to the Regulatory Reform Status Report. As I indicated to you, I will periodically send you the latest update in order to keep you informed about the Administration's program, Congressional activities and other related events.

Highlights of this report include:

- Hearings on the Aviation Act are scheduled to begin in the Senate next week. The Administration has developed an amendment to the bill to propose a subsidy for service to small communities. Secretary Coleman, Secretary Simon and other Administration officials will be testifying next week.
- A second meeting of the President and a group of the commissioners from the ten independent regulatory commissions has been scheduled for April 8, 1976 to discuss administrative reform efforts.
- The proposal for short-term task forces to achieve reforms within executive branch agencies was discussed at the EPB on March 26, 1976. The proposal for a long-term, comprehensive review of the regulatory system will be discussed by the EPB on April 2, 1976.
- The House Judiciary Committee will mark-up H.R. 39, the C.I.D. bill, on March 31, 1976.

I would be glad to discuss any comments or suggestions you may have.



1976

REGULATORY REFORM STATUS REPORT

March 26, 1976



REGULATORY REFORM (GENERAL)

Speeches Groups
Meetings Studies

ECONOMIC REGULATION

Financial Institutions	Prevailing Wage	Agriculture
Transportation	Communications	
Restraint of Trade	Patents	
Antitrust & Competition	Energy	

ADMINISTRATIVE STRUCTURE AND PROCESS

General
Inflation Impact
Consumer Representation
Forms Reduction

HEALTH AND SAFETY REGULATION

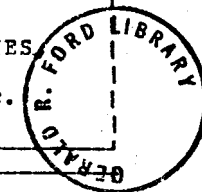
STATE AND LOCAL REGULATION

*INDICATES A NEW OR REVISED ENTRY

	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
REGULATORY REFORM (GENERAL) Presidential Speeches 1976.	--State of the Union, Jan. 9, 1976. --Message to the Congress transmitting the Economic Re- port, Jan. 26, 1976. --Remarks and statement upon signing the Railroad Revital- ization and Regulatory Reform Act, Feb. 5, 1976.		



	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES THE COURTS, etc.
Meetings	<p>--July 10, 1975 meeting with the Commissioners of the Independent Regulatory Commissions. Progress reports have been received from all the independent agencies. A summary of the reports has been circulated to the DCRG for comment and sent to the President. A follow-on meeting has been scheduled for April 8, 1976*</p> <p>--The Commerce Department held regional hearings in Dec. and Jan. on regulatory problems. Commerce is now preparing a summary and analysis of the hearings.</p> <p>--A series of meetings with academicians, journalists and others will be held in the near future to discuss the future direction of regulatory reform. The meetings may be chaired by the Vice-President.</p> <p>--A review of the current program and reference materials on regulatory reform has been distributed to Administration officials. A Subcabinet briefing will be held in the spring.</p> <p>--AEI sponsored a meeting of economists to discuss the role of government in the economy on March 26, 1976.*</p>		



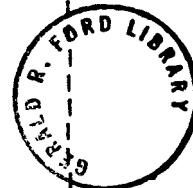
	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
Groups			--CAB advisory group on internal procedural reforms released its report on Jan. 5, 1976.
		--Freshman Democrats announced formation of a task force on concentration, the abuse of power and tighter government regulation on July 15, 1975. The Task Force is currently writing its report and hopes to have it published in the spring.	--ICC established a group within the Chairman's office to continue investigations into internal agency problems. Report on field operations issued.
	--Proposal for a National Commission on Regulatory Reform resubmitted to Congress. No action taken.	--A panel of experts has been formed to advise the Senate Committee on Government Operations in their study of regulatory reform. Members of the panel are Peter Rutt, Harry McPherson, Roger Noll, Merton Peck, Robert Pitofsky, William Ruckleshaus, and Lee White.	--CAB has formed a group of staff members to study ways to improve internal management and information control and to strengthen financial reporting requirements.





	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
General Studies	<p>--NSF has announced the funding of a study of the benefits and costs of public regulations that affect the price, supply and quality of copperwire, ground beef, and consumer financial services.</p> <p>--Nine research grants have been awarded by NSF for study of the impact of Government regulations, particularly the impact on productivity.</p> <p>--CWPS has begun a study of the costs and benefits of Federal regulations on the steel industry.</p>	<p>--Senate has approved S. Res. 71, to fund a joint study of regulation by the Government Operations & Commerce Committee. The deadline for the report has been extended to Feb. 28, 1977.</p>	<p>--The American Enterprise Institute has proposed establishing a Center for the Study of Government Regulation and is currently seeking funding for the Center. An advisory group for the Center has been established under the direction of Irving Kristol.</p>

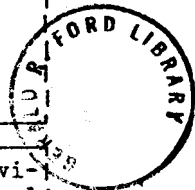
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<p>ECONOMIC REGULATION</p> <p>Financial Institutions</p>	<p>--Financial Institutions Act resubmitted to Congress.</p> <p>--The President has signed into law an extension of Regulation Q until March 1977.</p>	<p>--Senate Banking Committee held hearings on FIA in May and June, 1975. The bill was passed by the Senate on Dec. 11, 1975 by a vote of 79-14.</p> <p>--The House Banking Committee has begun hearings on this Financial Reform Act which incorporates provisions of the FIA and proposes consolidation of the banking regulatory agencies. Hearings are continuing.</p> <p>--On Oct. 31 and Dec. 1, 8, 1975, the Senate Banking Committee held hearings on a single banking regulatory agency. The Administration has agreed to work with the Committee on S.2298. Hearings are continuing.</p> <p>--The House Government Operations Committee held oversight hearings on bank regulatory agencies.*</p>	
	<p>--Securities Act Amendments of 1975 (P.L. 94-29) signed by the President June 4, 1975.</p>		<p>--The SEC has ordered all stock exchanges to abolish rules preventing price competition through member firms trading in listed securities off the exchange floors by March 31, 1976.</p>



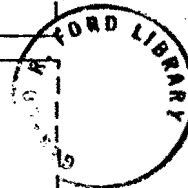
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Transportation, Surface (Railroad, Truck)	<p>--Railroad Revitalization and Regulatory Reform Act was signed by the President on February 5, 1976.</p> <p>--Motor Carrier Reform Act submitted to Congress on Nov. 13, 1975. Introduced in the House on request by Representative Jones, H.R. 10909, on Dec. 1, 1975. Introduced on request by Senator Hartke, S. 2929, on Feb. 4, 1976.</p>	<p>--The House Small Business Committee will hold hearings on the ICC and independent truck operators in May.</p> <p>--The House Commerce Committee held oversight hearings on the ICC in Feb and March.</p>	<p>--ICC has announced the start of a rulemaking proceeding to consider widening commercial zones and terminal areas.</p> <p>--ICC has started an investigation to determine if there is any further need to regulate freight and transportation brokers.</p> <p>--The ICC began a comprehensive survey on Jan. 5, 1976 to determine the extent that trucks travel empty on the highways.</p> <p>--The ICC has issued a final report and order on rate bureau regulations affirming the freedom to take independent action and establishing time deadlines for rate bureau actions.</p> <p>--The American Trucking Assoc. is holding meetings in 10 cities in March to oppose the President's regulatory reform proposals.</p>



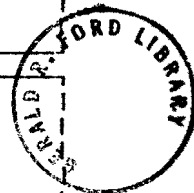
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Airline	<p>--Aviation Act of 1975 sub- mitted to Congress on Oct. 8, 1975.</p> <p>- Introduced in the House by Reps. Jones, Harsha, & An- derson, H.R. 10261, on Oct. 21, 1975 by request.</p> <p>- Introduced in the Senate by Senators Magnuson & Pear- son on Oct. 22, 1975 by re- quest.</p> <p>--The Administration is de- veloping an amendment to the Aviation Act to provide for a subsidy for service to small communities.*</p>	<p>--Hearings on the Aviation Act of 1975 are scheduled in the Senate on April 6, 7, 8, 12, 13, 1976. The House has tentatively scheduled hear- ings on April 13-14, 1976.*</p> <p>--Kennedy Subcommittee report criticizing CAB regulation of the airlines was issued on February 22, 1976.</p> <p>--The House Small Business Committee is continuing its hearings on the CAB and the FAA and small businesses.</p> <p>--The House Public Works Com- mittee held hearings on the economic condition of the airlines during the first two weeks in March. Hearings will continue in April.</p>	<p>--The report from CAB advi- sory committee on procedural reforms was released on Jan. 5, 1976. Comments on the report must be submitted by Feb. 20, 1976.</p> <p>--CAB announced on 8/19/75 the beginning of a rule- making procedure to decide whether to increase load factor standard.</p> <p>--The CAB has cancelled plans for a limited dereg- ulation experiment after pub- lic comments indicated that the experiment was too lim- ited in scope.</p> <p>--On Jan. 20, 1976, the Air Transport Association en- dorsed a two-year test peri- od of pricing flexibility for airlines and recommended imposing time limits on CAB actions.</p> <p>--The CAB has proposed a new type of charter flight be- established which would al- low charter tour operators more flexibility and passen- gers more low-cost flight possibilities.</p> <p>--On March 10, 1976 the CAB established time limits for taking action in public rulemaking proceedings.*</p>



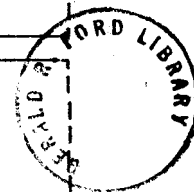
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Maritime	<p>--Both the State Dept. & the Transportation Dept. have testified against S.868.</p> <p>--An issue paper has been sent by the Maritime Task Force to the DCRG for consideration at the next meeting.*</p>	<p>--Senate Commerce Committee has reported out favorably S.868 which would expand FMC powers to regulate third-flag carriers. Report not yet filed.</p> <p>--House Merchant Marine Committee held hearings on the companion bill, H.R.7940 on Oct. 23, 1975.</p> <p>--The House Merchant Marine Committee will hold hearings on H.R. 1071 to reserve 30% of the country's oil imports for U.S. flag tankers.</p>	
Restraint of Trade Fair Trade	<p>--On Dec. 12, 1975, the President signed into law the repeal of fair trade laws.</p>		



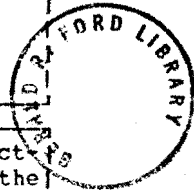
	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
Robinson-Patman	--A draft report on the Robinson-Patman hearings has been circulated in DCRG for comment.	--House Small Business Committee held hearings on the Robinson-Patman Act on Nov. 5-6, 11-12, 1975. Hearings will continue during January, February, and March.	
Antitrust and Competition	<p>--Antitrust Immunities Task Force formed to examine anti-trust exemptions in Feb. 1975.</p> <p>--Meetings have been held with insurance industry groups, state regulators, and consumer groups to discuss possible changes to the McCarran-Ferguson Act. The Justice Department is seeking further comments on the issues before writing a final report.</p> <p>--The Justice Dept. has filed an antitrust suit against the American Society of Anesthesiologists for conspiring to fix fees.</p> <p>--On Nov. 24, 1975 the Justice Dept. filed suit against the American Pharmaceutical Association to force it to allow its members to advertise the retail prices of prescription drugs.</p>	<p>--Senators Kennedy and Hart introduced S.2028, the Competition Improvements Act of 1975, which would:</p> <ul style="list-style-type: none"> - Require Federal Agencies to give antitrust principles priority consideration in regulated & unregulated industries. - Require agencies to issue a competitive impact statement. <p>--Hearings began on S.2028 Dec. 10, 1975. Both Justice and CWPS testified. Hearings held Feb. 4, 5, 1976.</p> <p>--S. 1284, Antitrust Improvements Act, is pending in the Senate Judiciary Committee. Civil process provisions of the bill are similar to the Administration's proposed legislation. Committee markup is expected to continue through March.</p>	<p>--FTC has announced investigations into the anticompetitive practices of the real estate brokerage industry and the veterinary services industry.</p> <p>--FTC has charged the AMA and two medical societies in Connecticut with illegally fixing fees through their code of ethics that prohibits its advertising.</p> <p>--FTC has proposed a regulation that would permit advertisements dealing with the price and availability of prescription eyeglasses.</p> <p>--FTC is investigating prohibitions against advertising of retail drug prices. Regional hearings were held in December & January.</p> <p>--The ABA has voted to allow its members to engage in limited advertising.</p>



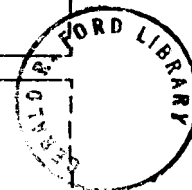
	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
	<p>--The House Judiciary Committee will mark up the Administration's CID bill H.R. 39, on March 31, 1976.*</p>	<p>--The House passed H.R. 8532, Parens Patriae as amended on March 18, 1976.</p> <p>--On Dec 12, 1975 the Senate passed S.1136, authorizing an increase in antitrust enforcement resources by voice veto.</p> <p>--The House Judiciary Committee held a hearing on S.1136 on March 4, 1976.</p>	
Prevailing Wage	<p>--CWPS has studied the inflationary impact of Davis-Bacon Act. Report is expected to be sent to the Labor Dept. but has been delayed pending review.</p>		



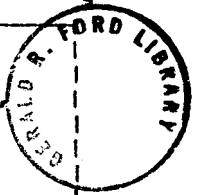
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Communications	<p>--After discussions with the White House staff, the DCRG has recommended further study of the regulations governing cable television.</p> <p>--On Dec. 16, 1975, the Justice Dept. filed a brief with the FCC urging the commission to act on two-year-old plans to increase the number of VHF television stations in major metropolitan areas across the country in order to promote greater competition and more diversity in programming.</p> <p>--On Feb. 4, 1976, the Justice Dept. filed a brief challenging the legality of anticompetitive pay cable television rules of the FCC.</p>	<p>--The House Commerce Committee Subcommittee on Communications has issued a report criticizing the regulation of the cable television industry stating that current regulations serve to protect large broadcasters and stifle competition.</p> <p>--The House Commerce Committee held oversight hearings on the FCC on Mar. 2, 3, 1976.</p>	<p>--FCC is currently conducting an investigation of the economic and competitive impact of liberalized rules on the interconnection of customer-owned devices to the telephone network.</p> <p>--FCC has announced it will undertake a thorough review of existing regulations to see where deregulation of cable TV might be appropriate and it will propose legislation to carry out these recommendations.</p> <p>--FCC has adopted new rules to reduce delays and to improve its decisionmaking processes in two areas - common carrier regulations and safety and special regulations governing business, amateur and citizen band radios.*</p>
Patents	<p>--Patent reform bill was introduced in the Senate in March, 1975.</p> <p>--Agencies have been asked to comment on the Senate-passed bill.*</p>	<p>--Compromise patent bill was passed by voice vote in the Senate on Feb. 25, 1976.</p>	



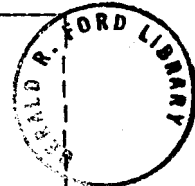
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Energy	<p>--Administration legislation proposing deregulation of new natural gas sent to Congress as part of the Energy Independence Act in January.</p> <p>--On September 10, 1975 the Administration submitted a legislative proposal which includes authority for the FPC to allow interstate natural gas pipelines to purchase gas from intrastate sources free of price controls. Introduced as S.2330 by Senator Pearson.</p> <p>--On December 22, 1975, the President signed S.622, the compromise oil price control bill which will temporarily roll back the price of oil and then gradually end controls over a 40-month period.</p>	<p>--On October 22, 1975, the Senate passed a five-year phase-out of controls on new natural gas.</p> <p>--On Feb. 5, 1976, the House passed a bill which removes price controls from smaller producers on natural gas, continues price controls on larger producers, and extends controls to the intrastate market.</p> <p>--The House Commerce Committee held hearings on the oversight of FPC, regulatory reform, and the deregulation of natural gas throughout January.</p> <p>--The House Commerce Committee is scheduled to begin hearings on H.R.12461, the Electric Utility Rate Reform and Regulatory Improvement Act, on March 30, 1976.*</p>	



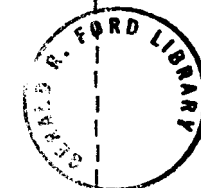
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Agriculture	<p>--CWPS has issued a preliminary study of milk prices, including the price impact of Federal price supports and marketing orders, import quotas, states regulations, and cooperatives.</p> <p>--A consultant to CWPS has said that consumers are paying \$500 million more each year for dairy products under Federal marketing restrictions, and milk prices are 22% higher than they would be without government controls.</p>	<p>--The House Judiciary Committee held hearings on competition in the food industry in Feb. and March.</p> <p>--Senator Humphrey has introduced S.3055 to establish a Federal Grain Inspection Agency to develop standards and inspection requirements for export grain.</p> <p>--The House Agriculture Committee will begin hearings on H.R. 12104, to establish a National Commission on Food Production Processing Marketing and Pricing and related bills on April 6, 1976.*</p>	<p>--FTC has announced an investigation of the citrus fruit industry to determine the impact of agricultural cooperative associations and government marketing orders on the structure, conduct, and performance of the industry.</p>



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ADMINISTRATIVE STRUCTURE AND PROCESS	<p>--The President in his July 16, 1975 Cabinet meeting directed 6 executive branch agencies (Labor, HEW, Agriculture, Transportation, FEA, and EPA) to work with the White House Task Force to examine and reform their own regulations and regulatory process. Meetings have been held with Agriculture, Labor, Transportation, HEW, and EPA. Reports have been received by Agriculture, EPA, and Labor.</p>	<p>--Authorization legislation for CPSC passed the Senate 76-8, July 18, 1975. Included appointment bypass provisions, authority to direct payment of fees to complainants, and authority to allow injured party to seek damages against a regulatory agency that abuses its discretion.</p>	
General	<p>--A plan for a task force approach to administrative improvements in the regulations of executive branch agencies is being sent to the President.*</p> <p>--HEW, Labor, Agriculture, and DOT have established internal task forces to improve the department's regulations.</p>	<p>--On Oct. 20, 1975 the House passed H.R.6844, CPSC authorization legislation, including provisions which would give Congress an opportunity to review and veto all rules and regulations of the Commission and which would allow reasonable fees to be paid to attorneys and witnesses of those people challenging commission actions. Vote on the veto provision was 224-180.</p>	
		<p>--Hearings on a bill, H.R. 3658, which would permit either House of Congress to disapprove certain rules proposed by executive agencies were held on Oct 21-23, 29-31, 1975. Both executive branch agencies & independent agencies testified against the bill.</p>	
		<p>--The House Judiciary Committee has reported out H.P. 12048 which includes provisions establishing a procedure for congressional review and disapproval of executive branch rules and regulations.*</p>	



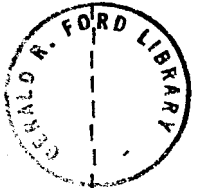
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		<p>--On Nov 6, 1975 the Senate voted 94-0 to pass S.5, the Government in Sunshine bill, which would require all collegial agencies to hold more open meetings and would control ex parte communications.</p> <p>--The House Government Operations Committee voted the Government in Sunshine bill out of committee on March 2, 1976 by a vote of 32-7.</p> <p>--The House Judiciary Committee has held hearings on the Government in Sunshine bill and is scheduled to begin mark-up on March 30, 1976.*</p> <p>--On Nov 12, 1975, the Senate Judiciary Administrative Practices Subcommittee held hearings on S. 1289, limiting ex parte communications.</p> <p>--On Jan 30, 1976 hearings were held by the Senate Judiciary Committee on S.2715 to award attorney fees to participants in regulatory proceedings. Hearings continued on Feb. 6, 1976.</p>	



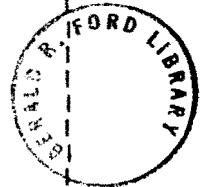
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	<p>--A proposal for a comprehensive review of government regulations will be submitted to the EPB for discussion on April 2, 1976.*</p>	<p>--Senators Percy and Byrd introduced S.2812, the Regulatory Reform Act of 1976, which would establish a systematic timetable for reform of Federal regulatory agencies by 1981. The bill would require the President to submit to Congress his proposals for reform which the Congress could amend or a substitute plan could be proposed. The bill has also been introduced in the House.</p> <p>--Hearings on S.2812 are tentatively scheduled for May.</p> <p>--Other congressional proposals for general regulatory reform legislation include establishing a Congressional Office of Regulatory Policy, S.2878, (Javits and Muskie) and requiring all government programs to be based on a four year reauthorization cycle, S.2925, (Muskie).</p> <p>--Hearings on S.2925 are scheduled for Mar. 17-19, 23-25, April 7-8, 1976 by the Senate Government Operations Committee.</p>	



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Inflation Impact Analysis	--An evaluation of the first year's experience with inflation impact statements has been forwarded to the Director of OMB.	--Amendment to proposed bill S.644 providing authorization for CPSC would require cost/benefit assessment statements be prepared for all agency rules. --Several other pending bills would also require economic impact statements.	
Consumer Representation	--Agency plans to increase consumer representation were published in the Nov. 26, 1975 Federal Register. Public meetings were held in January around the country to explain how these plans will work.		--The NRC asked for public comments on the legality and desirability of the commission giving financial assistance to participants in licensing procedures. Responses are currently under consideration.



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Forms Reduction	<p>--On March 1, 1976, the President requested all executive branch agencies subject to the Federal Reports Act to reduce the number of forms by 10% by July 1976. OMB guidelines on reducing the number of forms were sent to the agencies on Mar. 2, 1976.</p> <p>--A subcabinet briefing on the reduction of forms was held on March 16, 1976. Workshops on the guidelines are also being held</p> <p>--Progress toward the President's goal of a 10% reduction has begun. The number of forms is now approximately 5000.</p> <p>--Letters will be sent to Treasury and to the independent agencies requesting cooperation in reducing the number of Federal forms.</p>		
HEALTH AND SAFETY REGULATIONS	<p>--Paper on approaches to environmental regulation prepared by Treasury and OMB is out for comment.</p> <p>--CEA has sent to the DCRG for comment a proposal for the study of OSHA regulations.*</p>		



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STATE AND LOCAL REGULATIONS			--FTC announced that it will investigate entry barriers in the appliance repair industry that are created by state licensing systems.



MAY 28 1976

THE WHITE HOUSE

WASHINGTON

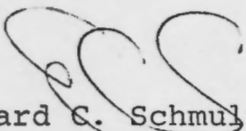
May 27, 1976

MEMORANDUM FOR SENIOR WHITE HOUSE STAFF

Attached is the latest update to the Regulatory Reform Status Report. Highlights of the Report include:

- On May 13, 1976 the President sent a message to Congress transmitting the Agenda for Government Reform Act. The legislation would require a systematic review and reform of the regulatory system as it affects various sectors of the economy. Both OMB and the Justice Department have testified in favor of the bill. Hearings before the full Senate Government Operations Committee began May 18, 1976 and have been completed.
- The President has also announced the creation of short-term Presidential task forces to simplify and streamline government regulation beginning with the regulations of OSHA and FEA.
- On May 19, 1976 the Senate passed S. 3308, The Interim Regulatory Reform Act of 1976, which would grant legislative and budgetary by-pass to seven independent regulatory agencies and require periodic review, updating, and recodification of agency regulations.
- The House Small Business Committee has held hearings on the ICC and independent truck operators. Hearings on the Administration's Motor Carrier Reform Act are expected in the Senate during the last two weeks in June.
- Hearings on the Aviation Act are continuing in both the House and the Senate.

If you have any questions or comments or if you would like more information on the Agenda for Government Reform Act, please call.


Edward C. Schmults
Deputy Counsel to the President



1976

REGULATORY REFORM STATUS REPORT

May 21, 1976



REGULATORY REFORM (GENERAL)

Speeches. Groups
Meetings Studies

ECONOMIC REGULATION

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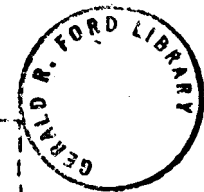
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REGULATORY REFORM (GENERAL) Presidential Speeches 1976.	--State of the Union, Jan. 9, 1976. --Message to the Congress transmitting the Economic Report, Jan. 26, 1976. --Remarks and statement upon signing the Railroad Revitalization and Regulatory Reform Act, Feb. 5, 1976. --Remarks to the meeting of regulatory commissioners, April 8, 1976. --Remarks at the Bicentennial Salute to Small Business Luncheon, May 13, 1976.		
Meetings	--Second meeting with the Commissioners was held on April 8, 1976 to discuss progress toward administrative reform within the independent commissions. Next progress report due by Sept. 15, 1976. --The Commerce Department held regional hearings in Dec. and Jan. on regulatory problems.		--AEI sponsored a meeting of economists to discuss the role of government in the economy on March 26, 1976.



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Groups	--The DCRG has been expanded to include DOT, Labor, Commerce, Agriculture, HEW SBA, National Center for Productivity and the Quality of Work, NSF, and FEA.		--CAB advisory group on internal procedural reforms released its report on Jan. 15, 1976. --ICC established a group within the Chairman's office to continue investigations into internal agency problems. Report on field operations issued.
	--Proposal for a National Commission on Regulatory Reform resubmitted to Congress. No action taken.	--A panel of experts has been formed to advise the Senate Committee on Government Operations in their study of regulatory reform. Members of the panel are Peter Hutt, Harry McPherson, Roger Noll, Merton Peck, Robert Pitofsky, William Ruckleshaus, and Lee White.	



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General Studies	<p>--NSF has announced the funding of a study of the benefits and costs of public regulations that affect the price, supply and quality of copperwire, ground beef, and consumer financial services.</p> <p>--Nine research grants have been awarded by NSF for study of the impact of Government regulations, particularly the impact on productivity.</p> <p>--CWPS has begun a study of the costs and benefits of Federal regulations on the steel industry. The study is expected to continue for 6-8 months.</p>	<p>--Senate has approved S. Res. 71, to fund a joint study of regulation by the Government Operations & Commerce Committees. The deadline for the report has been extended to Feb. 28, 1977.</p>	<p>--The American Enterprise Institute has proposed establishing a Center for the Study of Government Regulation and is currently seeking funding for the Center. An advisory group for the Center has been established under the direction of Irving Kristol.</p>

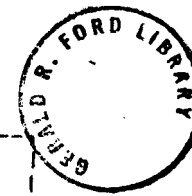


	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
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<p>ECCNOMIC REGULATION</p> <p>Financial Institutions</p>	<p>--Financial Institutions Act resubmitted to Congress.</p> <p>--The President has signed into law an extension of Regulation Q until March 1977.</p> <p>--The EPB has asked agencies to develop proposals for possible changes to the present structure of the banking regulatory agencies.</p>	<p>--Senate Banking Committee held hearings on FIA in May and June, 1975. The bill was passed by the Senate on Dec. 11, 1975 by a vote of 79-14.</p> <p>--The House has passed 279-85 H.R. 12934 the bill to revise the Federal Reserve Act.*</p> <p>--The House Banking Committee has returned H.R.13077, The Financial Reform Act, to the Subcommittee for further consideration.</p> <p>--On May 20, 1976 the Committee reported the bill to control foreign bank operations in the U.S. by a vote of 29-3.*</p> <p>--Both the Senate and the House have agreed to defer plans to consolidate the banking regulatory agencies.</p> <p>--Hearings have been held in the Senate on S.2304, to increase penalties available to banking regulatory agencies for insider dealing violations and the bill has been reported to the floor by the committee.*</p> <p>--The House Government Operations Committee held oversight hearings on bank regulatory agencies.</p>	
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	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
	--Securities Act Amendments of 1975 (P.L. 94-29) signed by the President June 4, 1975.		--The SEC has ordered all stock exchanges to abolish rules preventing price com- petition through member firms trading in listed se- curities off the exchange floors by March 31, 1976. --The SEC has begun an in- tensive review of all dis- closure requirements. Re- sults are expected later this year.



	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
Transportation, Surface (Railroad, Truck)	<p>--Railroad Revitalization and Regulatory Reform Act was signed by the President on February 5, 1976.</p> <p>--Motor Carrier Reform Act submitted to Congress on Nov. 13, 1975. Introduced in the House on request by Representative Jones, H.R. 10909, on Dec. 1, 1975. Introduced on request by Senator Hartke, S. 2929, on Feb. 4, 1976.</p>	<p>--The Senate is expected to hold hearings on the Motor Carrier Reform Act during the last two weeks in June.</p> <p>--The House Small Business Committee held hearings on the ICC and independent truck operators on May 19, and 20, 1976. Hearings will continue on May 26, 1976.*</p> <p>--The House Commerce Committee held oversight hearings on the ICC in Feb and March.</p>	<p>--ICC has announced the start of a rulemaking proceeding to consider widening commercial zones and terminal areas.</p> <p>--ICC has started an investigation to determine if there is any further need to regulate freight and transportation brokers.</p> <p>--The ICC began a comprehensive survey on Jan. 5, 1976 to determine the extent that trucks travel empty on the highways.</p> <p>--The ICC has issued a final report and order on rate bureau regulations affirming the freedom to take independent action and establishing time deadlines for rate bureau actions.</p> <p>--The American Trucking Assoc. has held meetings in 10 cities in March to oppose the President's regulatory reform proposals.</p>

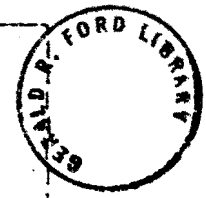


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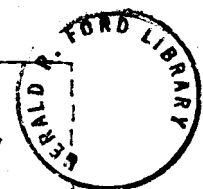
<p>Airline</p>	<p>--Aviation Act of 1975 submitted to Congress on Oct. 8, 1975.</p> <p>- Introduced in the House by Reps. Jones, Harsha, & Anderson, H.R. 10261, on Oct. 21, 1975 by request.</p> <p>- Introduced in the Senate by Senators Magnuson & Pearson on Oct. 22, 1975 by request.</p> <p>--The Administration has submitted an amendment to the Aviation Act to provide for a subsidy for service to small communities.</p>	<p>--Hearings on the Aviation Act have been held in both the Senate and the House. Hearings are continuing.*</p> <p>--Senator Kennedy has introduced S.3364 calling for reform of airline regulation.</p> <p>--The House Small Business Committee has held hearings on the CAB and the FAA and small businesses.</p> <p>--The House Public Works Committee held hearings on the economic condition of the airlines during March. Hearings on economic conditions and regulatory reform are continuing.*</p>	<p>Chairman Robson has testified in support of the reduction of airline regulation calling for a statutory mandate to favor competition over regulation. The CAB is expected to submit its legislation in the near future.*</p> <p>--The report from CAB advisory committee on procedural reforms was released on Jan. 5, 1976. Comments on the report were submitted by Feb. 20, 1976.</p> <p>--CAB announced on 8/19/75 the beginning of a rulemaking procedure to decide whether to increase load factor standard.</p> <p>--On Jan. 20, 1976, the Air Transport Association endorsed a two-year test period of pricing flexibility for airlines and recommended imposing time limits on CAB actions.</p> <p>--The CAB has proposed a new type of charter flight be established which would allow charter tour operators more flexibility and passengers more low-cost flight possibilities.</p> <p>--On March 10, 1976 the CAB established time limits for taking action in public rulemaking proceedings.</p>
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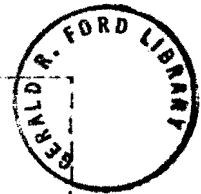
	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
Maritime	--Both the State Dept. & the Transportation Dept. have testified against S.868. --An information memo on the Administration's position on the third-flag carrier bills was sent to the President the week of April 19, 1976. --An issue paper has been sent by the Maritime Task Force to the DCRG for consideration in the near future.	--Senate Commerce Committee has reported out favorably S.868 which would expand FMC powers to regulate third-flag carriers. Report not yet filed.	
Restraint of Trade Fair Trade	--On Dec. 12, 1975, the President signed into law the repeal of fair trade laws.		



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Robinson-Patman	--A draft report on the Robinson-Patman hearings has been circulated to the DCEG for comment.	--House Small Business Committee held hearings on the Robinson-Patman Act on Nov. 5-6, 11-12, 1975. Hearings continued during January, February, and March.	
Antitrust and Competition	<p>--Antitrust Immunities Task Force formed to examine anti-trust exemptions in Feb. 1975.</p> <p>--Meetings have been held with insurance industry groups, state regulators, and consumer groups to discuss possible changes to the McCarran-Ferguson Act. The Justice Department is seeking further comments on the issues and will report in May.</p> <p>--The Justice Dept. has filed an antitrust suit against the American Society of Anesthesiologists for conspiring to fix fees.</p> <p>--On Nov. 24, 1975 the Justice Dept. filed suit against the American Pharmaceutical Association to force it to allow its members to advertise the retail prices of prescription drugs.</p>	<p>--S. 2028, the Competition Improvements Act of 1975 has been sent from the subcommittee to the full Senate Judiciary Committee.</p> <p>--S. 1284, Antitrust Improvements Act, has been approved by the full Senate Judiciary Committee and is expected to be considered on the floor on May 25, 1976.*</p>	<p>--FTC has announced investigations into the anticompetitive practices of the real estate brokerage industry and the veterinary services industry.</p> <p>--FTC has charged the ANA and two medical societies in Connecticut with illegally fixing fees through their code of ethics that prohibits its advertising.</p> <p>--FTC has proposed a regulation that would permit advertisements dealing with the price and availability of prescription eyeglasses.</p> <p>--FTC is investigating prohibitions against advertising of retail drug prices. Regional hearings were held in December & January.</p> <p>--The ABA has voted to allow its members to engage in limited advertising.</p>



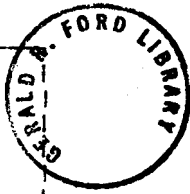
	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
		<p>--The House passed H.R. 8532, Parens Patriae as amended on March 18, 1976.</p> <p>--The CID bill, H.R. 13489, was reported to the floor by the Judiciary Committee on May 18, 1976.*</p> <p>--The House Judiciary Committee held one day of hearings on H.R. 13131 premerger notification, one May 6, 1976.*</p> <p>--On Dec 12, 1975 the Senate passed S.1136, authorizing an increase in antitrust enforcement resources by voice veto.</p> <p>--The House Judiciary Committee held a hearing on S.1136 on March 4, 1976.</p> <p>--On March 18, 1976 the Senate passed S.2935 which would increase funding for the FTC and give the agency legislative, budgetary and appointment by-pass.</p>	
Prevailing Wage	--CWPS has studied the inflationary impact of Davis-Bacon Act. Report is expected to be sent to the Labor Dept. but has been delayed pending review.		



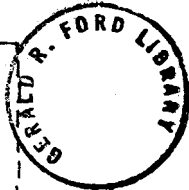
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Communications	<p>--After discussions with the White House staff, the DCRG has recommended further study of the regulations governing cable television.</p> <p>--On Dec. 16, 1975, the Justice Dept. filed a brief with the FCC urging the commission to act on two-year-old plans to increase the number of VHF television stations in major metropolitan areas across the country in order to promote greater competition and more diversity in programming.</p> <p>--On Feb. 4, 1976, the Justice Dept. filed a brief challenging the legality of anticompulsive pay cable television rules of the FCC.</p>	<p>--The House Commerce Committee held hearings on the regulation of cable tv May 17-20, 1976. Hearings will continue.*</p> <p>--The House Commerce Committee Subcommittee on Communications has issued a report criticizing the regulation of the cable television industry stating that current regulations serve to protect large broadcasters and stifle competition.</p> <p>--The House Commerce Committee held oversight hearings on the FCC on Mar. 2, 3, 1976.</p> <p>--Several bills have been introduced in Congress that would reaffirm the monopoly position of AT&T in the telephone industry.*</p>	<p>--FCC is expected to submit a report on an investigation of the economic and competitive impact of liberalized rules on the interconnection of customer-owned devices to the telephone network to the Congress the week of May 24, 1976.*</p> <p>--FCC has announced it will undertake a thorough review of existing regulations to see where deregulation of cable TV might be appropriate and it will propose legislation to carry out these recommendations.</p> <p>--FCC has adopted new rules to reduce delays and to improve its decisionmaking processes in two areas - common carrier regulations and safety and special regulations governing business, amateur and citizen band radios.</p>
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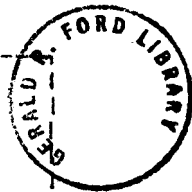
Patents	<p>--Patent reform bill was introduced in the Senate in March, 1975.</p> <p>--Agencies have been asked to comment on the Senate-passed bill.</p>	<p>--Compromise patent bill was passed by voice vote in the Senate on Feb. 25, 1976.</p>	
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Energy	<p>--Administration legislation proposing deregulation of new natural gas sent to Congress as part of the Energy Independence Act in January.</p> <p>--On September 10, 1975 the Administration submitted a legislative proposal which includes authority for the FPC to allow interstate natural gas pipelines to purchase gas from intrastate sources free of price controls. Introduced as S.2330 by Senator Pearson.</p> <p>--On December 22, 1975, the President signed S.622, the compromise oil price control bill which will temporarily roll back the price of oil and then gradually end controls over a 40-month period.</p>	<p>--On October 22, 1975, the Senate passed a five-year phase-out of controls on new natural gas.</p> <p>--On Feb. 5, 1976, the House passed a bill which removes price controls from smaller producers on natural gas, continues price controls on larger producers, and extends controls to the intrastate market.</p> <p>--The House Commerce Committee held hearings on the oversight of FPC, regulatory reform, and the deregulation of natural gas throughout January.</p> <p>--The House Commerce Committee has begun hearings on H.R. 12461, the Electric Utility Rate Reform and Regulatory Improvement Act.</p>	



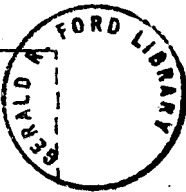
	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
Agriculture	<p>--CWPS has issued a preliminary study of milk prices, including the price impact of Federal price supports and marketing orders, import quotas, states regulations, and cooperatives.</p> <p>--A consultant to CWPS has said that consumers are paying \$500 million more each year for dairy products under Federal marketing restrictions, and milk prices are 22% higher than they would be without government controls.</p>	<p>--The House Judiciary Committee held hearings on competition in the food industry in Feb. and March.</p> <p>--S.3055, to establish a Federal Grain Inspection Agency to develop standards and inspection requirements for export grain, passed the Senate 52-18 on April 28, 1976.*</p> <p>--The House Agriculture Committee has begun hearings on H.R. 12104, to establish a National Commission on Food Production Processing Marketing and Pricing and related bills.</p>	<p>--FTC has announced an investigation of the citrus fruit industry to determine the impact of agricultural cooperative associations and government marketing orders on the structure, conduct, and performance of the industry.</p>



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<p>ADMINISTRATIVE STRUCTURE AND PROCESS</p> <p>General</p>	<p>--The President in his July 16, 1975 Cabinet meeting directed 6 executive branch agencies (Labor, HEW, Agriculture, Transportation, FEA, and EPA) to work with the White House Task Force to examine and reform their own regulations and regulatory process. Meetings have been held with Agriculture, Labor, Transportation, HEW, and EPA. Reports have also been received by these agencies.</p> <p>--On May 13, 1976 the President announced the creation of short-term Presidential task forces to simplify and streamline government regulations beginning with OSHA and FEA.*</p> <p>--HEW, Labor, Agriculture, and DOT have established internal task forces to improve the department's regulations.</p>	<p>--Hearings on a bill, H.R. 3658, which would permit either House of Congress to disapprove certain rules proposed by executive agencies were held on Oct 21-23, 29-31, 1975. Both executive branch agencies & independent agencies testified against the bill.</p> <p>--The House Judiciary Committee has reported cut H.R. 12048 which includes provisions establishing procedure for congressional review and disapproval of executive branch rules and regulations.</p> <p>--The Senate Judiciary Committee has held hearings on various proposals to amend the APA including establishment of congressional review of regulations.</p> <p>--On Nov 6, 1975 the Senate voted 94-0 to pass S.5, the Government in Sunshine bill, which would require all collegial agencies to hold more open meetings and would control ex parte communications.</p> <p>--Both the House Government Operations and Judiciary Committees have passed the Government in Sunshine bill. The bill is now pending before the Rules Committee.</p> <p>--On Nov. 12, 1975 the Senate Judiciary Administrative</p>	
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	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
		Practices Subcommittee held hearings on S. 1289, limit- ing ex parte communications. --S. 2715, to award attorney fees to participants in regu- latory proceedings, has been reported to the full Senate Judiciary Committee by the Administrative Practices Sub- committee.	



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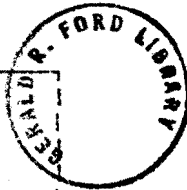
--On May 13, 1976 the President sent a Message to Congress transmitting the Agenda for Government Reform Act. The legislation would require a systematic review and schedule for reform of the regulatory system as it affects various sectors of the economy. Introduced as S. 3428 by Senators Scott and Brock. Introduced as H.R. 13793 by Representative Rhodes and others.*

--Senators Percy and Byrd introduced S. 2812, the Regulatory Reform Act of 1976, which would establish a systematic timetable for reform of Federal regulatory agencies by 1981. The bill has also been introduced in the House.
--Hearings on several bills, including S. 2812 and S. 3428, were held May 18, and 20, 1976. OMB and Justice testified on May 20, 1976. Hearings are continuing.*

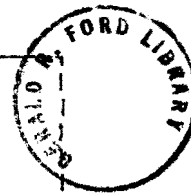
--Other congressional proposals for general regulatory reform legislation include establishing a Congressional Office of Regulatory Policy, S. 2878, (Javits and Muskie) and requiring all government programs to be subject to a zero-base budget review every four years, S. 2925 (Muskie).

--Hearings on S. 2925 were held Mar. 17-19, 23-25, April 7-8, 1976 by the Senate Government Operations Committee. The Subcommittee has reported the bill to the full committee.*

--On May 19, 1976 the Senate passed S. 3308, the Interim Regulatory Reform Act of 1976, which includes provisions giving seven independent regulatory agencies legislative and budgetary by-pass and requires these agen-



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		cies to periodically review, update, and recodify their regulations.*	
Inflation Impact Analysis	--An evaluation of the first year's experience with infla- tion impact statements has been discussed by the FFB.	--Several pending bills would also require economic impact statements.	
Consumer Representation	--Agency plans to increase consumer representation were published in the Nov. 26, 1975 Federal Register. Pub- lic meetings were held in January around the country to explain how these plans will work.		--The NRC asked for public comments on the legality and desirability of the commis- sion giving financial as- sistance to participants in licensing procedures. Re- sponses are currently under consideration.



	ACTION IN THE ADMINISTRATION	ACTION IN THE CONGRESS	ACTION IN THE INDEPENDENT AGENCIES, THE COURTS, etc.
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Forms Reduction	<p>--On March 1, 1976, the President requested all executive branch agencies subject to the Federal Reports Act to reduce the number of forms by 10% by July 1976. OMB guidelines on reducing the number of forms were sent to the agencies on Mar. 2, 1976.</p> <p>--A subcabinet briefing on the reduction of forms was held on March 16, 1976. Workshops on the guidelines were also being held.</p> <p>--Progress toward the President's goal of a 10% reduction has begun. The number of forms is now approximately 5000.</p> <p>--The President has asked the independent regulatory commissions to reduce their reporting requirements in conjunction with executive branch agency efforts.</p>	<p>--The Senate Government Operations Committee has held hearings on S.3076 the Paperwork Review and Limitation Act of 1976.</p>	
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HEALTH AND SAFETY REGULATIONS	<p>--The Commerce Department is working to prepare case studies on the cost effects of environment, health and safety regulations.</p>		
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STATE AND LOCAL REGULATIONS			<p>--FTC announced that it will investigate entry barriers in the appliance repair industry that are created by state licensing systems.</p>
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