NEWS

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WILLIAMS WARNS COMMITTEE THAT REGULATORY REFORM BILLS COULD RESULT IN MORE, NOT LESS PAPERWORK

Chairman Harold M. Williams warned a Senate Committee today that some of the so-called "regulatory reform" proposals now under consideration could have an effect on both government agencies and the private sector opposite to that which is intended.

Mr. Williams supported "the broad goals of regulatory reform" and reviewed a number of steps which the Commission has already taken in that direction.

"I would again like to stress our commitment to improving our efficiency and to removing undue burdens upon those within our jurisdiction," he said in testimony prepared for delivery before the Senate Committee on Governmental Affairs Wednesday morning.

"Unfortunately, it is possible that these Bills, in their present forms, might have the opposite effect. Indeed, to the extent that rulemaking is burdened with new requirements,

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agencies may be more likely to proceed through ad hoc adjudication based on past conduct rather than to provide advance guidance through the issuance of rules of general applicability. If not substantially revised, these Bills could lead to more paperwork, increased litigation, extended rulemaking processes, and larger agency budgets. And, it is not clear to us that these costs will be outweighed by any resulting benefits, at least for a small agency like the Commission which is already committed to responsible regulatory reform."

Mr. Williams pointed out that "the problems of the regulatory process vary from agency to agency" and urged that they be addressed on that basis, rather than through across-the-board legislation. He did, however, note that the bills pending before the Committee -- S. 262 and S. 755 -- "would effect significant improvements in many areas" and said "The heart of our opposition lies with those provisions requiring detailed regulatory analyses in connection with the adoption of significant and major rules." Those provisions, he said, ignore the importance of the "comment period" in gathering information on the impact of proposed rules; place undue emphasis on ambiguous and unreliable "cost-benefit analysis;" and would open the rulemaking process to extensive, new attacks in the courts.

"If regulatory reform is not to be used as a means for a covert attack on the principle of government regulation," Mr. Williams said, "Congress must proceed cautiously to ensure that the cures are not more debilitating than the ailments."

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