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WILLIAMS PROPOSES NEW PRESIDENTIAL-CONGRESSIONAL MECHANISM FOR STRENGTHENED OVERSIGHT OF FEDERAL REGULATION

Chairman Harold M. Williams suggested today establishment of a new mechanism, involving both the President and the Congress, to institutionalize strengthened, comprehensive oversight of Federal regulatory programs.

Williams' remarks were prepared for delivery at a luncheon of the National Press Club at 1 p.m. on Wednesday.

"Government regulations have been with us from virtually the moment this nation was founded," he noted. "They have been increasing in scope, volume and complexity for two centuries in order to meet the needs of a constantly growing, increasingly complicated social fabric. Inevitably, there are flaws in this regulatory pattern -- flaws of both excess and of insufficiency. And, unquestionably, some regulation has outlived its usefulness and needs to be modified, curtailed or even abolished.

"We have just begun to recognize that regulatory ills mirror the deeper problems which plague our society. They will not be cured until we as a society develop a mechanism

to consider regulatory problems from this perspective. If we settle for one of the many quick fixes which seem expedient, the underlying deterioration will continue."

Williams rejected many of the pending regulatory reform proposals as being ineffective or counter-productive.

"I sincerely doubt whether any of the existing proposals for a legislative or Presidential veto, or increased scrutiny by the courts, will improve Federal regulation," he said. "None of these proposals would facilitate the kind of serious, searching review of either individual or overlapping regulatory programs, or of the total impact of regulation, which in my view is essential to meaningful reform. Rather, they would merely substitute the ad hoc judgments of other branches of the government for decisions now made by the agencies."

Further, he said it would be "simplistic" to expect to apply such suggested "procedural reforms" as regulatory impact analyses to all agency rulemaking, on an across-the-board basis.

The mechanism Williams suggested today would be patterned broadly after the manner in which the President and Congress handle "another situation involving complex trade-offs in national priorities," the Federal budget.

"In the budget, as in patterns of regulation, questions arise as to how much the nation can afford to spend on desirable goals," Williams explained. "In the budget, as in regulatory mandates, there are compromises to be made among competing objectives. And in the budget, as in the framework responsible for regulations, there is often a divergence between the wishes of the President and the wishes of Congress."

Williams suggested that Congress follow the example it set in 1974 when it instituted new procedures for handling the budget. The President, he said, could be required to submit during the first session of Congress a "state of regulation" report in which he would assess existing regulatory programs, make suggestions for revisions, additions or deletions, and "reconcile existing regulation with his objectives for the nation and identify any conflicts."

In order to handle such a comprehensive regulatory review, Congress should establish a new mechanism, which might be based on committees on regulation in each house, or perhaps a joint committee.

"The committees would not have legislative authority over specific regulatory programs, but would instead report to the floors of the House and the Senate resolutions defining areas of regulatory change," Williams explained.

"The Congress would be required to agree in principle through the passage of such resolutions. These resolutions would not enunciate specific regulatory changes, but rather, principles of regulatory direction to which committees having jurisdiction over particular regulatory programs would be required to conform. They would state broad goals with respect to changes in regulation."

Williams said that such a structure "would enable Congress to focus on the whole of Federal regulation and would enable the President to provide meaningful leadership in this critical area of national priorities.

"In this way," he said, "Congress and the President would have a mechanism to consider the limitations imposed by finite resources on our regulatory reach, and make the necessary choices and tradeoffs."

Williams said that reform of Federal regulation "is part of the never-ending task of adapting our complex government machinery to the changing needs of the nation.

"It is a task which can be accomplished successfully in a deliberate and focused manner," he declared, "as we have seen with regard to de-regulation of the airline industry. It is not a task that is susceptible to panaceas, quick-fixes, or administrative short-cuts. I can only hope that when the smoke clears from the current wave of enthusiasm for regulatory reform, we will be left with a solid structure capable of responding flexibly and efficiently to the very real needs that regulation is designed to meet."

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