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**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

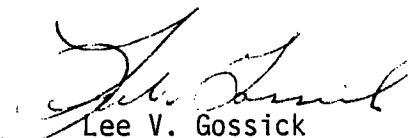
ANNOUNCEMENT NO. 107

DATE: July 23, 1975

TO: Directors of Offices, Divisions, and Regional Offices

SUBJECT: REMARKS BY PRESIDENT FORD AND CHAIRMAN ANDERS
AT WHITE HOUSE MEETING OF REGULATORY AGENCIES

Attached are copies of the opening and closing remarks of President Ford and the Remarks of Chairman Anders at the July 10 meeting of independent regulatory agencies at the White House.



Lee V. Gossick
Executive Director for Operations

Attachments (3)

FOR IMMEDIATE RELEASE

JULY 10, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
TO THE
CHAIRMEN AND COMMISSIONERS
OF THE
INDEPENDENT REGULATORY AGENCIES

THE EAST ROOM

11:07 A.M. EDT

Good morning. It is a pleasure and a privilege to have you here.

Mr. Vice President, members of the Cabinet, members of the various regulatory agencies:

I will make an initial, relatively short statement, to be followed by Rod Hills, being the moderator for the introduction of the four topics which are on the agenda, and Paul MacAvoy will give an introductory remark or two concerning each subject, and then, as I think all of you have been told, there will be one and perhaps several from each of the -- well, from some of the regulatory agencies, making an introductory observation and comment, and then a period will be given in each case for members of the various regulatory agencies to make observations and comments.

I think it is quite obvious that I feel very deeply that we must seriously consider the cost to the American consumers of all Government activities. And this, of course, includes regulatory agencies.

Regulatory reform is a theme that arose repeatedly in the course of last fall's economic summit meetings. It is a theme that is finding, as I travel around the country, growing attention and support, both in popular and economic literature, in the Executive Branch and the Congress, and I am pleased to note among Government regulators themselves.

A short time ago I met with 24 Members of Congress on this particular matter. There was unanimity on this bipartisan group that we must examine our regulatory practices to make sure they are meeting our present need.

There was agreement that competition should be relied on whenever possible and that where regulation is unnecessary, it should be avoided. Also there was a persistent concern expressed by this group that some Government regulation costs the country more than it returns in benefits, and that the regulatory process often benefits special interests at the expense of the general public.

Finally, there was consensus that the important public service role of the commissions must be reflected in the attitude of the regulators and the welfare of the consumer must also always be the first concern on their minds.

I have a strong belief that the cost which regulation imposes on private citizens should be faced very squarely. Every citizen should be aware that in some cases the cost in some cases means higher prices, reduced efficiency, less consumer choice, and fewer imaginative ideas.

In calling today's meeting, I do not suggest that the problems reside exclusively in your agencies or commissions.

Regulations that impose costs on consumers can also be found in Cabinet departments and in the intricate, sometimes invisible web of laws and regulations at State and local levels.

My Administration is focusing public attention on the need to eliminate or to minimize unnecessary controls. We should recognize that occasionally Government policies which appear to be in the short-term public interest are in fact detrimental to long-term consumer interests.

I am asking for your continued and intensified help in identifying ways the commission can assist in our collective efforts to restore inventiveness and growth in the American economy.

As we look for short-term solutions, we must also chart a course that permanently relieves the economy of unnecessary long-term impediments. In some instances, the circumstances which caused Government to institute regulatory schemes have changed. You should be the leaders in identifying areas where regulations should be eliminated or substantially revised.

You have been given by law extraordinary authority to regulate the economy for the public good. With these unusual powers and responsibilities, you must function as models of effective and open Government.

There are four major areas that deserve very careful attention.

First, there must be a constant effort to improve each commission's ability to identify the costs and the benefits of current and proposed regulation. You should make sure that the quality of your economic analysis matches your high standards of legal professionalism.

In particular, the costs, as well as the benefits, of restricting competition, must be considered. Also, the benefits of worthwhile social goals must be weighed against their economic cost to the Nation as a whole.

As you know, I have ordered all departments and agencies to prepare an inflation impact statement on each of their major proposals. I am pleased that the House of Representatives has changed its rules to require similar analysis -- and I note that the Senate in several similar measures is doing the same thing. I ask each of you to give this matter the highest priority.

Second, we must take every possible step to make sure that the backlog and the delays in regulatory proceedings do not weaken the public belief in an equitable and efficient regulatory system.

If legislation is needed, you may be certain that the Congress and the Administration will provide such laws.

Third, the public can rightfully expect that you be the leaders in suggesting appropriate legislative changes in your authorizing statutes.

Fourth, I have asked all departments and all agencies to re-examine their present procedures for assuring that the consumers' interests prevail.

I believe that competition in product quality and price is the best consumer protection. By freeing entry, adding to rate, flexibility and promoting service competition, the consumer can be given the choices that only the marketplace can provide.

I also urge you to insure clear communications with consumers so they will better understand your actions.

Our joint efforts in these areas will move us a long way toward the efficient and useful regulatory system that we all seek.

In addition to achieving these administrative reforms, my Administration specifically will be seeking further legislation that would also intend to reform our system of regulation.

It is my strong conviction that the consumer is best able to signal his wants and needs through the marketplace, that Government should not dictate what his economic needs should be.

Therefore, I have proposed and will continue to support legislation to relax or eliminate the Federal controls over areas where I believe the marketplace can do a better job. I believe the Government should intrude in the free market only when well-defined social objectives can be obtained by such intervention, or when inherent monopoly structures prevent a free competitive market system from operating.

Government should foster rather than frustrate competition. It should seek to insure maximum freedom for private enterprise.

Agencies engaged in regulatory activities can expect that the Antitrust Division of the Department of Justice will continue to argue for competition and lower consumer prices as a participant in your agency's proceedings.

Furthermore, the Attorney General will continue to insure vigorous antitrust prosecution to remove private sector barriers to competition. We have, or will propose regulatory reform legislation in such areas as energy, transportation, financial institutions, and communications.

I have asked Congress for its cooperation in giving these bills early consideration, and I ask for your personal and organizational support in achieving needed reform.

The legislation I am proposing would reduce the Government's role in the setting of prices. Also, it would enhance innovation by making it easier for new businesses to compete with existing firms. It would remove barriers from existing firms to allow them to develop new services and lower prices as well as abandon unprofitable or unnecessary services.

This meeting and my earlier meeting with the Congressional representatives, are only the beginning, and I emphasize that. Today we will continue the dialogue begun at the Congressional meeting.

Rod Hills and Paul MacAvoy, as I indicated, will briefly describe our agenda for the meeting this morning. I will be interested in hearing more about the steps you are taking to improve our system of regulation, as well as the problems you face in this effort.

I am particularly hopeful that we will be able to identify those practices which are more deserving of attention and reform.

If this meeting does foster a program of action -- and I think it can -- and a new spirit of cooperation between all of our commissions, the Congress, and the White House, then in my judgment we will be responsive to the public interest.

I thank you for being here and at this point I will call on Rod Hills to get the meeting started, as the moderator.

END

(AT 11:18 A.M. EDT)

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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
TO THE
CHAIRMEN AND COMMISSIONERS OF THE
INDEPENDENT REGULATORY AGENCIES

THE EAST ROOM

1:01 P.M. EDT

At the outset, in the closing remarks, let me thank each and every one of you for your participation.

You have a great responsibility individually and collectively. Some are old in origin, some are relatively new, but each of you have a very definite mission and you have some monumental problems to face.

As I said at the outset, this is the first meeting of this kind, and I do get a sense that perhaps subsequent meetings would be in order.

I do feel that the Congress will be responsive to the effort that is being made by you and by us, and I am certain that your relations in this area with the Congress will be improved, particularly if you respond to what they are suggesting and what we are approving.

Actually, there are five follow-up actions that I would like to emphasize. Each chairman, I hope, will give further attention to the cost to benefit analysis of the commissions under their chairmanships.

I think it is absolutely essential that we fully understand the economic costs of your activities in order to take concrete steps to achieve these reforms. To facilitate this understanding, I would hope that you would actually issue a cost to benefit analysis on your major programs.

This would parallel the inflation impact statements that are required of the various Federal departments and agencies in the Executive Branch of the Government. They would coincide with the requirement now in the House of Representatives for an inflation impact statement on every major legislative proposal that is submitted to the House as a whole.

Secondly, I would ask that you undertake a comprehensive and specific review of all areas where regulatory delays presently occur in order to eliminate any of the impediments to a speedy and effective process.

I think it makes sense to set a goal of six months to see if you can, in a demonstrative way, show a reduction in any of the regulatory delays that you know better than I and better than others take place.

Third, I would ask that you study and revise the procedures as they are appropriate to insure that you are responsive to the legitimate consumer interests and that your actions are more clearly understood by the American people.

Fourth, you should consider the most fundamental changes that would move us toward deregulation in areas where the regulatory process no longer makes sense.

I think Chairman Nassikas has made a very valid point in the case of deregulation of natural gas.

In some areas, it is increasingly clear that more competition is a better regulator than the Government itself. I know some of the agencies are moving in this same direction with respect to deregulation of certain aspects, such as in the case of the CAB.

This experiment in one or more agencies, born of more recent vintage, I think, can produce substantial results. I strongly urge every commission to undertake an analysis to see if you can't do something in this area.

It is my judgment that in every case you have to ask yourself individually as commissioners and as a commission, is regulation better in each case than an unregulated market.

Finally, I will continue to meet with the 24 designated Members of the House and Senate, both Democratic as well as Republican, to review with them the progress in the areas where we think action can be taken, must be taken, and I am asking the members of my Administration to work closely with each of you and each of your commissions, as well as to respond for the Executive Branch in their areas of jurisdiction.

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It is my judgment that with the cooperation of the Congress -- and I am sure it will be there -- with the cooperation of each of you and your respective agencies, and with the full participation of the Executive Branch, we can make some very substantial headway.

We will all be applauded, in my judgment, by the American people, and we will have a healthier and a far more efficient economy.

I thank you very, very much.

END (AT 1:08 P.M. EDT)

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

William A. Anders
Chairman
Nuclear Regulatory Commission

July 10, 1975

Mr. President, I have been asked to kick off the subject of "Methods of Improving Regulatory Procedures". With your permission, I'll restrict myself to what I know more about, that is, the efforts to improve our own regulatory procedures for nuclear uses. While our responsibilities are directed towards safety rather than rate setting or public convenience and necessity, all regulatory agencies share some problems which are amenable to solution through improvement in procedures. I believe our efforts are pointing the way to significant improvements for us and may have useful application in other fields of regulation. Certainly, we can benefit by a better understanding of what others are doing.

Sir, I believe that nuclear power can play an important role in meeting our Nation's energy needs and that it can provide economic and environmental benefits to our citizens. But, sound, timely, and credible regulation of nuclear power is essential if it is to contribute full measure to the national interest. My colleagues and I are committed to discharging our regulatory responsibilities in this manner.

The Nuclear Regulatory Commission is charged by the Energy Reorganization Act, and through it, the Atomic Energy Act, with regulating to assure the safe and secure use of nuclear materials and facilities. The NRC is also responsible under NEPA for weighing environmental concerns. Since the great bulk of our work relates to the licensing of nuclear plants, we are targeting our main efforts to improve our procedures in this area -- improvements which will work to reduce costly delay without compromising rigorous safety and other requirements.

There are three main facets of these licensing improvement efforts:

- First: upgrading of our management and licensing review procedures;
- Second: involving the public at earlier and more relevant points in the licensing process;
- Third: requesting new legislation where it is necessary for further improvements.

As for the first, we, and our predecessor, the AEC, have upgraded management and review procedures in an effort to promote stability and reduce delays in the nuclear licensing process. This upgrading includes:

- (1) encouraging standardization of nuclear power plant designs, license application, and our own review procedures;
- (2) carrying out our safety, environmental, and antitrust reviews in parallel rather than in series, as was done before;
- (3) the use of a new procedure that affords an abbreviated initial review which allows a much earlier start of site preparation and construction;
- (4) systematized and computerized scheduling of staff and project tracking
- (5) closer management review to ensure that requirements proposed by the staff are worth their cost;
- (6) incorporating more systematic consideration of the economic costs, as well as the benefits, of proposed regulations and the timing of their implementation;
- (7) improved communications with industry to facilitate license application submittals and standards development;
- (8) encouraging more coordinated Federal, state, and local licensing action.

As a new Commission, we are systematically reevaluating all we have inherited, while working to maintain momentum in the ongoing licensing

process. Through this reevaluation, the Commission has recognized the great advantage of self-examination of existing and proposed regulatory structures and policies. To carry out this function, we have created an Office of Policy Evaluation, reporting directly to the Commission itself and independent of the Commission's operating staff. Also, we are mindful that our actions can have a large impact on the public and the industry we regulate - both deserve prompt and effective licensing action. Whenever there is question as to whether we are meeting that standard, we examine the facts and causes in order to correct the specific situation and prevent its recurrence.

The second method being used to improve licensing has been a restructuring of regulations for more timely and thus more effective and efficient public participation. This is encouraged by the Atomic Energy Act and is crucial in obtaining public understanding of nuclear power and credibility of its regulation. It is true that the consequent public hearings, which precede licensing action, carry with them the potential for delay. But, there are, we believe, constructive ways to deal with this: by applying greater procedural discipline to the hearing process; and by holding hearings at earlier dates which are less critical for plant construction or operation.

Finally, where NRC is limited in achieving additional licensing improvements because of existing statutes, we have requested new legislation. For example, legislation which is pending before the Congress would further speed the licensing process by providing for: (1) early decision on proposed sites independent of the specific designs for nuclear power plants; (2) early and dispositive decisions on standardized plant designs; and (3) further streamlining of the hearing phase of the licensing process. The basic objective of this new legislation is to be able to reduce the probability that the licensing process will be a bottleneck in nuclear plant construction and to do this without sacrificing the present high standards for review which the public rightly expects to be maintained. We have essentially been able to do this for issuing plant operating licenses. Mr. President, we welcome the full support you've given this legislation.

Improvements have been made but, quite frankly, still more needs to be done. We intend to pursue aggressively the further streamlining of our regulatory process, not simply to meet present problems but to be prepared to meet the increasing demands of the foreseeable future. Delays in nuclear power plants completion as a result of our regulatory process have become the exception rather than the rule. Slippages being encountered now largely reflect the state of the economy and the special problems of electric utilities financing. But, as the economy

improves and financing problems ameliorate, nuclear power plant construction can be expected to accelerate. Mr. President, with your continued support, with good working relationships with Congress, and with increasing credibility with the public and with those we regulate, the NRC intends to be ready to meet that challenge efficiently and effectively.