

THE WHITE HOUSE
WASHINGTON

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January 7, 1992

MEMORANDUM FOR TIM FLANIGAN

FROM: C. BOYDEN GRAY

Original signed by CBG

SUBJECT: Independent Agencies

The President and senior White House staff are seriously considering for announcement at the State of the Union two initiatives that would substantially affect all of the so-called "independent" agencies, such as the SEC, the FERC, etc. The first is a Presidential directive requiring all federal agencies (a) to observe a moratorium on the issuance of new regulations (other than those subject to statutory deadlines) for 90 days, (b) to conduct, during this 90-day period, a comprehensive review of their existing regulatory schemes, and (c) absent contrary statutory requirements, to modify or eliminate any regulations that do not meet certain substantive standards -- e.g., regulations for which measurable benefits are less than costs. The second potential action is an order extending the procedural and substantive requirements of Executive Order 12291 to all federal agencies.

Decisions on these initiatives must be made within the next two weeks. I would appreciate a preliminary, oral assessment of the President's authority to take these actions by the end of this week, with a written memorandum the following week. I will send you a draft Presidential directive implementing the first initiative within the next couple of days.

Let's sit down and chat about this at your earliest convenience.

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