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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

STATEMENT OF HARRY S. HAVENS, DIRECTOR
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GAC 00030

BEFORE THE
UNITED STATES SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS

See 06600

[Comments on] ON
S.445 AND TITLE V OF S.2,
REGULATORY SUNSET PROPOSALS]

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Testimony
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Mr. Chairman and Members of the Committee:

We appreciate this opportunity to share with you our views on Title V of the S.2, the "Sunset Act of 1975" and S.445, the "Regulatory Reform Act of 1979."

The GAO strongly supports enactment of comprehensive oversight reform legislation that implements an effective review and reauthorization process. This process should be as simple and understandable as possible, and it is in this context that we believe regulatory programs should be reviewed. Under existing authority and the provisions in Titles I and III of S.2, we believe the authorizing committees will have all the authority they need to obtain the necessary information, and the termination provisions in Title I will provide incentives for the Congress to carefully review and reauthorize these programs.

Title V of S.2--Regulatory Impact

[Title V of S.2, the Sunset Act of 1979, would establish a five-Congress review cycle for 16 regulatory agencies and require the President, GAO, and CBO to submit at the start of every Congress an analysis of each agency scheduled for review. Following that, the President would submit legislative recommendations, and two months later the GAO and CBO would submit a "complete and thorough analysis" of these recommendations. However, this Title contains no requirements for congressional action or program termination should Congress not act. Regulatory "programs" would be subject to the limitations on enactment of new budget authority in Title I.

the CBO

Congressional Budget Office

The Comptroller General testified before a House Rules Subcommittee May 23 on H.R.2, the House counterpart to S.2. He expressed GAO's support for this legislation and said it would result in significant reform of congressional oversight. However, he also said Congress should fashion a simple and workable oversight reform bill. He expressed concern about a number of new provisions that were added to S.2 last Fall, including Title V. The regulatory agencies covered by Title V would be subject to the review and reauthorization provisions of Titles I and III and their regulations would be subject to review under regulatory reform proposals being considered separately and therefore he suggested that Title V be dropped.

Our testimony also expressed concern about Section 503 of the bill. That section would assign review functions for the selected regulatory agencies to the CBO, as well as the GAO. Thus, two agencies would be performing activities the authority for which Congress already has vested in our office. The result could be wasteful and confusing both to the congressional committees and the agencies concerned. Therefore, we recommend that if Title V is retained in the bill, the references to CBO in Section 503 be dropped. Also, to avoid unnecessary duplication of effort between GAO and Presidential review efforts, we suggested that Section 503(a) be further revised to authorize GAO, upon its own initiative or at the request of a committee, to appraise the review of each agency submitted by the President under Sections 502(a) and (c), rather than requiring in all cases a simultaneous de novo review of the agency by GAO.

If Title V is retained, we urge that the Congress carefully consider the relationship between this Title and the other regulatory reform proposals to assure they are not duplicative or conflicting, and that the review processes involved are integrated to the extent possible.

S.445, the "Regulatory Reform Act of 1979"

S.445, the "Regulatory Reform Act of 1979," proposes to reorganize Federal regulatory agencies to prevent excessive, duplicative, inflationary, and anticompetitive regulation, and to make regulation more effective and responsive to the national interest.

[S.445 would require reviews, reorganization plans, and regulatory reform bills to be prepared and considered for selected regulatory agencies according to an eight year schedule outlined in the bill. The bill would provide for the automatic termination of certain agency regulatory authorities or agencies themselves if Congress failed to pass regulatory reform legislation under circumstances described in the bill.]

We agree with the objective of S.445. However, we prefer to see the review and reform objectives of S.445 incorporated in broader oversight reform legislation [such as S.2. This broader approach which we support does not diminish our concern with the problems of regulation. We desire to see regulatory goals achieved in the most effective, efficient, and fair manner possible. However, we believe that [the review of all programs in a budget subfunction category--regulatory and nonregulatory--would reinforce the consideration of alternative ways of achieving regulatory goals and contribute to broad regulatory reform. If the committee acts further on S.445, we

believe additional consideration should be given to the workability and impact of the bill's individual sections in light of our experience in considering S.2 and related proposals.

Among other things, of course, our comments about GAO's role in Title V of S.2 are applicable to the comparable provision in S.445.

This concludes our prepared statement. We will be happy to try to answer any questions you may have.