



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

February 16, 2012

The Honorable Joseph R. Biden
President of the Senate
Washington, DC 20510

Dear Mr. President:

We live in a 21st century economy, but we have a Government organized for the 20th century. Our economy has fundamentally changed but the Federal Government has not. The Federal Government needs to be leaner, smarter, and more consumer-friendly to give our communities, businesses, and workers the tools they need to thrive and to strengthen American competitiveness and innovation.

Today, I am submitting to the Congress the enclosed legislative proposal, the "Reforming and Consolidating Government Act of 2012". This legislation would reinstate an authority granted to past Presidents to streamline and reform the Executive Branch. The Reforming and Consolidating Government Act of 2012 would modify this longstanding authority by requiring that any reorganization reduce the number of agencies or cut costs. This authority is essential to creating a 21st century Government that is fiscally responsible, works ever more efficiently and effectively for the American people, and helps make America more competitive.

More specifically, the Reforming and Consolidating Government Act of 2012 has several key parts:

First, the legislation would permit the creation, abolition, consolidation, transfer, or renaming of an executive agency or department if the proposed reorganization reduced the overall number of agencies or achieved cost savings.

Second, the Reforming and Consolidating Government Act of 2012 would maintain the procedures from the 1984 reorganization authority that ensure that the Congress has a full voice. It provides a process for an up-or-down vote to approve reorganization plans in both Houses of Congress in an expedited fashion.

Third, the Reforming and Consolidating Government Act of 2012 would leave unchanged standard provisions from prior reorganization authorities that permit the President to make amendments to a plan pending in committee to accommodate feedback, preclude reorganization plans from covering more than one logically consistent subject matter, and allow no more than three plans to be pending before Congress at one time.

Last, the Reforming and Consolidating Government Act of 2012 would provide that the reorganization authority sunsets after two years, thereby allowing the Congress to regularly reconsider its authorization.

With this authority in place, I would submit a proposal to consolidate a number of agencies and programs into a new department with a focused mission to foster economic growth and spur job creation. Right now, there are six departments and agencies focused primarily on business and trade. There is too much duplication and fragmentation that make it difficult for firms, and especially small businesses, to get the assistance they need. Now is the time to consolidate and reorganize these agencies and several other related programs into one department with one website, one phone number, and one mission – helping American businesses succeed. This reorganization proposal would help American businesses to more easily and seamlessly access services in support of exports, domestic competitiveness, and job creation.

It is the private sector, not the Government, that can create the good jobs and economic growth we need to support, sustain, and grow the middle class. But Government can and should make it easier, not harder, for businesses to navigate and flourish in the world economy.

It is for this reason that I urge the prompt and favorable consideration of the Reforming and Consolidating Government Act of 2012.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey D. Zients", is written over a large, light blue circular scribble.

Jeffrey D. Zients
Acting Director

Enclosures

Identical Letter Sent to Speaker of the House of Representatives

A BILL

To provide for reforming and consolidating agencies of the Federal Government to improve efficiency and effectiveness.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Reforming and Consolidating Government Act of 2012".

SEC. 2. PROVIDING CONSOLIDATION AUTHORITY.

(a) **DEFINING AN EFFICIENCY-ENHANCING PLAN.**— Section 902 of title 5, United States Code, is amended:

- (1) in paragraph (2) by striking "and" after the semicolon;
- (2) in paragraph (3) by striking the period and inserting "; and"; and
- (3) by adding a new paragraph (4) to read as follows:

"(4) "efficiency-enhancing plan" means any reorganization plan that the Director of the Office of Management and Budget determines will result in, or is likely to result in—

"(A) a decrease in the number of agencies; or

"(B) cost savings in performing the functions that are the subject of that plan."

(b) **MODERNIZING REORGANIZATION AUTHORITY.**— Section 905(a) of title 5, United States Code, is amended:

- (1) by amending paragraph (1) to read as follows:

"(1) abolishing or transferring an independent regulatory agency, or all the functions thereof, or consolidating two or more independent regulatory agencies, or all the functions thereof;" and

- (2) by striking paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

SEC. 3. DURATION AND SCOPE OF AUTHORITY.

- (a) Section 905(b) of title 5, United States Code, is amended by striking "December 31, 1984" and inserting "two years from the date of enactment of the Reforming and Consolidating Government Act of 2012, and the plan is an efficiency-enhancing plan as defined in Section 902(4)".
- (b) Section 908(1) of title 5, United States Code is amended by striking "December 31, 1984" and inserting "two years from the date of enactment of the Reforming and Consolidating Government Act of 2012".

SEC. 4. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

Section by Section

Reforming and Consolidating Government Act of 2012

Sec. 1. Short Title.

The title of this Act is the "Reforming and Consolidating Government Act of 2012".

Sec. 2. Providing Consolidation Authority.

Establishes the definition of an efficiency-enhancing plan, which is a reorganization plan that the Director of the Office of Management and Budget determines will result in or is likely to result in: (a) a decrease in the number of Federal agencies; or (b) cost savings in performing the functions that are the subject of the plan.

Allows the President to propose to create, rename, abolish, or transfer an executive department or agency (or consolidate two or more executive departments or agencies). The additional existing restrictions on reorganization plans remain unchanged.

Sec. 3. Duration and Scope of Authority.

Requires that any reorganization plan must be an efficiency-enhancing plan, and provides consolidation authority for two years after enactment of this Act.

Sec. 4. Severability.

Provides that if part of the Act is found to be unconstitutional, the other provisions of the Act will not be affected.