

THE WHITE HOUSE

WASHINGTON

INFORMATION

October 16, 1973

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ROY L. ASH

SUBJECT:

Key OMB Studies Underway

In addition to our regular work at OMB, we have underway a number of important special studies. Below are listed several of the key studies, for your information or comment. A brief description of each of the twenty-five studies is at TAB A. Of course, we are prepared to take up whatever other areas you might want examined.

On some of the following studies, OMB has the lead; on others we work as a team under a Cabinet Secretary's leadership; and on still others we are working primarily with other White House offices. On all of the studies, we are involving the rest of the staff -- and I am copying this note to key staff as a standing offer for anyone to help us in any area of his interest and competence.

1. New Federalism
2. National Health Insurance
3. Welfare Reform
4. The Federal Role in Higher Education
5. Manpower Revenue Sharing
6. Clean Air Act Amendments
7. Agriculture Policy
8. Export Promotion
9. Energy Research and Development
10. Reform of Water Resource Development Programs
11. Water Construction Grant Program of EPA
12. Uranium Enrichment
13. Defense Department Support and Overhead Costs
14. Military Health Care Study
15. Presidential Control of the Budget

16. Indian Programs
17. Timber Task Force
18. Improve Control Over Off-Budget Federal Activities
19. Revival of President's Departmental Reorganization
Proposals
20. Federal Energy Regulatory Activities
21. Disaster Assistance Task Force
22. The Management of the Department of Justice
23. Analysis of Federal Minority Business Program
Alternatives
24. Economic Impact of Federal Regulations
25. The Fiscal Impact of Tax Proposals

1. New Federalism

This study attempts to document New Federalism accomplishments to date, to identify gaps in these achievements, and to develop specific recommendations to fill these gaps and to identify opportunities for fresh approaches to New Federalism.

2. National Health Insurance

The study will develop, with HEW, sufficient information regarding options for National Health Insurance (NHI) to assist the President in making decisions on Administration NHI proposals.

3. Welfare Reform

Analysis is underway of possible Welfare Reform options, leading toward submission of a Presidential Options paper. Welfare Reform is one of the Presidential objectives submitted by HEW, and OMB staff are working with the Department on this objective as well as undertaking independent analysis to ensure that all possible options are raised.

4. The Federal Role in Higher Education

The study will develop, with HEW, Federal objectives for higher education assistance programs; and will design and implement new programs and modify existing programs so as to meet these objectives.

5. Manpower Revenue Sharing

The study will develop with the Department of Labor an acceptable Manpower Revenue Sharing Bill as a basis for successful compromise legislation.

6. Clean Air Act Amendments

Working closely with the Domestic Council, the Energy Policy office and EPA, we are examining problems with the Clean Air Act and developing amendments to the Act to fine-tune the balance between acceptable levels of air quality and other important national goals (adequate energy supplies, transportation systems, etc.).

7. Agriculture Policy

We are in the process of putting together a major cross-government look at long-range food and agriculture problems. The areas to be examined include estimates of national and world production and utilization, barriers to increases in productivity, the adequacy of transportation and distribution facilities, anticipated availabilities of inputs such as fertilizer, water, labor, energy, alternative future sources of protein, the effectiveness of agricultural research, and the role of national trade policies in facilitating and encouraging the productive capacities of world agriculture.

8. Export Promotion

The recent realignment of exchange rates and changes in domestic economic conditions have necessitated a thorough review of the many U.S. Government export promotion programs. OMB has assembled an interagency task force to rationalize U.S. export promotion activities consistent with U.S. goals and future uncertainties in the international and domestic economic situation.

9. Energy Research and Development

In accordance with the President's June 29 Energy Message, an intensive effort is underway, under the direction of Dr. Ray of AEC, to develop a long-range national plan for energy R&D.

10. Reform of Water Resource Development Programs

We have initiated an interagency effort to develop and implement major, long-overdue reforms in Federal water resource programs, particularly the Corps of Engineers and the Bureau of Reclamation. Buttressed by the recent report of the National Water Commission and a long history of compelling need for reform, the effort involves a number of key administrative and legislative initiatives.

11. Water Construction Grant Program of EPA

We have initiated a major assessment of EPA's management of its multi-billion dollar grant program for the construction of water pollution treatment facilities.

12. Uranium Enrichment

Working closely with the Atomic Energy Commission, we hope to ensure that the Nation's next increment of uranium enrichment capacity is capitalized, constructed, and operated by the private sector.

13. Defense Department Support and Overhead Costs

The combination of increasing budgets in critical non-Defense areas over the next several years, the rising cost of weapons systems and manpower necessary to meet our national security commitments, and your desire to retain our military capabilities suggests that we focus on ways to improve the efficiency of military spending. Since about half the DOD resources are in overhead and support areas, joint projects have been initiated, aimed at reducing DOD overhead and support costs.

14. Military Health Care Study

The Military Health Care Study is designed to evaluate future means of continuing DOD health care under the constraints imposed by an all-volunteer military force environment. The recommendations stemming from this study should make it possible to continue the maximum level of quality health care to DOD beneficiaries consistent with the resources available to the Department of Defense in an all-volunteer environment.

15. Presidential Control of the Budget

A large and growing part of Federal spending is relatively uncontrollable under existing law. We will develop a plan to foster better public understanding of the problem and determine what needs to be done to improve Presidential control of the budget.

16. Indian Programs

We are leading an interagency task force that will hopefully bring much needed, long-overdue reforms in the area of Federal Indian activities. If successful, the effort could finally bring the government to act in a responsible way on the myriad of problems that have long smoldered within the Indian community and created unacceptable tension and friction between the government and the Indian people.

17. Timber Task Force

A cross-government group, drawing upon the recommendations of the President's Advisory Panel on Timber and the Environment, will seek to improve the long-range management of our timber resources in the context of the other forest uses and environmental considerations.

18. Improve Control over Off-Budget Federal Activities

We will develop by next June a plan for improving executive and legislative branch review, coordination, and control of off-budget Federal activities, with emphasis on the off-budget credit programs.

19. Revival of President's Departmental Reorganization Proposals

These studies will be used to up-date earlier legislation and develop proposals aimed at overcoming Congressional resistance. Consisting of the Department of Energy and Natural Resources (DENR), the Energy Research and Development Administration (ERDA), the Department of Human Resources (DHR), and reassessments of Departments of Community Development (DCD) and Economic Affairs (DEA), these bills represent a fundamental and badly needed reorganization and restructuring of the major domestic programs of the Federal Government.

20. Federal Energy Regulatory Activities

This study in consultation with Congress, will determine the best way to organize all energy-related regulatory activities of the Government, such as proposed Nuclear Energy Commission and other energy regulatory activities.

21. Disaster Assistance Task Force

The study seeks to improve the delivery of assistance to disaster victims within existing law and to prepare for the implementation of the Administration's Disaster Preparedness and Assistance proposal and Flood Protection proposal.

22. The Management of the Department of Justice

Attorney General Richardson created a committee on the management of the Department of Justice which was composed of Justice and OMB officials. The Committee is to examine all elements of the Justice Department, review their effectiveness and make recommendations for changes in organization, management practices, improved coordination and the establishment of common goals and objectives among Department elements.

23. Analysis of Federal Minority Business Program Alternatives

The study objective is to determine the effectiveness of Federal efforts in increasing the role of minority businessmen in the economy and make recommendations for improvements by April 30, 1974. The study team is composed of representatives of OMB, the Department of Commerce, and the Small Business Administration.

24. Economic Impact of Federal Regulations

Regulations are often used by agencies of the Federal Government to accomplish objectives when the economic consequences of regulation have not been estimated and where the objectives might be accomplished more efficiently with market mechanisms such as taxes or subsidies. Initial efforts will be focused on the impact of pollution abatement regulations on economic growth, productivity and rates of inflation.

25. The Fiscal Impact of Tax Proposals

A study is underway of alternative forms of tax reduction, should fiscal stimulus be needed within the next one or two years. The purpose is to have a well-articulated set of alternative proposals ready for policy consideration should they be needed.