

File
leg. gov
Ops (Consumer Agency)

THE WHITE HOUSE

WASHINGTON

August 2, 1977

Dear Congressman Steed:

Many Members who recognize the need for consumer representation in government have expressed genuine concern that the proposed Agency for Consumer Protection would be "just another agency," "more government," or "another layer of bureaucracy." The President's proposal for creating the consumer agency entirely out of existing resources -- a copy of which is enclosed -- demonstrates that this is simply not so.

Under that proposal, which OMB Director Bert Lance has sent to Congress, the Agency for Consumer Protection would not cost a single additional dollar; in fact, taxpayers would realize a \$5 million savings.

ACP would be created by consolidating 26 consumer programs now scattered inefficiently throughout the federal bureaucracy at a cost of \$11.6 million. In addition, another \$8.5 million would be saved by cutting out of the budget other expenditures which would duplicate the activities of the consumer agency. These actions would save \$20 million -- substantially more than the \$15 million authorization for ACP's first year.

President Carter has repeatedly said that the proposed consumer agency is an integral part of his plan to reorganize the federal bureaucracy. Consumers would benefit not only from the savings in tax dollars but even more importantly from effective, efficient advocacy of consumer interests in the federal government.

Do call me at 456-6590 or 456-7119 if I can be helpful.

Sincerely,

Esther Peterson
Special Assistant to the President
for Consumer Affairs

The Honorable Tom Steed
U.S. House of Representatives
Washington, D.C. 20515

Enclosures

Without written permission, this material may not be copied or reprinted in any fashion, nor placed in any other repository.

This is a photocopy of materials held by the Carl Albert Congressional Research and Studies Center Congressional Archives, University of Oklahoma, Monnet Hall, Room 202, 630 Parrington Oval, Norman, Oklahoma 73019-4031.

FROM THE COLLECTION OF
THE HONORABLE TOM STEED

EMBARGOED FOR RELEASE
UNTIL AFTER THE BRIEFING

AUGUST 1, 1977

Office of the White House Press Secretary

THE WHITE HOUSE

Today, a proposal for establishing the Agency for Consumer Protection entirely from existing resources was sent to Congress by Bert Lance, Director of the Office of Management and Budget. It will go into effect when the pending consumer bill becomes law.

The proposal would eliminate or merge 26 government units that the President's Reorganization Project at OMB has identified as overlapping, duplicating, or conflicting with the functions of the new agency. These units currently spend \$11.6 million annually and employ more than 200 people.

In anticipation of passage of the consumer agency legislation, President Carter also will direct all executive departments and agencies to rescind their so-called Consumer Representation Plans. These plans, which cost \$8.5 million to implement and maintain, were drawn up by the previous Administration in an attempt to forestall creation of the consumer agency. The President has directed OMB to eliminate these funds in the next budget period.

In all, these actions will make more than \$20 million available. The first year budget of the proposed agency is only \$15 million. In his letter, Lance said, "Prompt congressional action on the consumer agency legislation will result not only in more efficient conduct of consumer representation functions, but also in a savings to American taxpayers."

Esther Peterson, Special Assistant to the President for Consumer Affairs, said, "today's release of the consumer reorganization proposal will answer charges of some opponents of the bill that the new agency will create more bureaucracy at increased cost."

The legislation currently provides that the President submit a consumer reorganization plan to the Congress within 180 days after passage of the bill. Release of the elements of the proposed plan now will "give a concerned Congress advance knowledge of the President's proposal and the information needed to make a positive decision on this bill," Peterson said.

(Attached is a copy of the Lance letter sent to Congress)

#

Without written permission, this material may not be copied, reprinted, or otherwise used in any fashion, nor placed in any other repository.

This is a photocopy of materials held by the Carl Albert Congressional Research and Studies Center Congressional Archives, University of Oklahoma, Monnet Hall, Room 202, 630 Parrington Oval, Norman, Oklahoma 73019-4031.