

THE WHITE HOUSE
WASHINGTON

December 14, 1994

MEMORANDUM FOR JACK QUINN
GEORGE STEPHANOPOULOS

FROM: MICHAEL WALDMAN MW

SUBJECT: REGULATION AND THE GOP CONTRACT

It is clear that the GOP will seek to use their control of Congress to dismantle the regulatory state. The Contract includes several pieces of legislation that would go after regulation. We can also expect the appropriations and budget processes to take aim at specific agencies or programs.

I know that the Vice-President is convening a process to propose a regulatory overhaul, and as you know I think that is a very good idea. It seems to me that a rather distinct project needs to be undertaken -- possibly separately, possibly folded in to the VP's operation -- to organize a political and public response to the GOP assault. (This may already be underway, so this memo may cover ground that's already well-trod.)

I assume that we want to portray the Republicans as advocates for wealthy special interests, while the President is a defender of the middle class against those who would take advantage of it. The trick is how to do this without seeming to be an advocate of big government and red tape. Obviously, all this presupposes a decision on what posture we want to take on the regulatory issues.

Some possible steps:

- Our regulatory agencies are headed by a number of bright, politically savvy people who can be pulled together for a political strategy group. I'm thinking of Anne Brown (CPSC), David Kessler (FDA), Carol Browner, Anne Bingamen (Antitrust division), Christine Varney, Martinez at NHTSA, Joseph Dear at OSHA, etc.
- They can pull together a ready-to-go compilation of why their regulation has been both reasonable and good for the middle class.
- As Rubin and Bowles have discussed, we have a good deregulatory record.

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which we should trumpet appropriately.

- Thoroughly, intensely studying the GOP's regulatory proposals. For example, our Council of Economic Advisers should be ready to refute the most extreme cost-benefit analysis proposals.

- If we decide to try, at a sub-Presidential level, to defend our regulatory agencies, then we may want to organize the public health, environmental, and consumer groups to fight back.

Again, if this is already being done, then ... never mind. If you need any thoughts/help, let me know. As George remembers, we fought out some of these broad regulatory issues on the Quayle Council, with some success, though the terrain may have shifted rather dramatically since then.

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