

[continued from previous folder]

Help for the Auto Industry

BY RELAXING some of the automobile regulations, the Reagan administration is offering the right kind of help to an industry in trouble. The government has given away nothing important to health and safety. Some of the abandoned regulations were marginal, and some were the sort that bring regulation into disrepute. Do you really think that federal law ought to require a tire pressure indicator on the dashboard? If drivers want to save a little money, ought they not have the option of simply looking at the tires?

There's to be a year's delay in the rule requiring automatic devices to protect people in head-on crashes. That would mean the famous air bag or, for most cars, self-locking seat belts. The whole reason for the rule was to force safety onto those people who refuse to buckle their present seat belts. In auto safety, the government's responsibility is clearest in those matters that buyers and drivers cannot possibly judge for themselves. One example is the car's gasoline tank, and whether it will rupture in a collision. But where a driver is offered protection like a seat belt, and voluntarily rejects it, the government's duty to impose it willy-nilly is less obvious.

The basic health and safety standards for the automobile industry have been set by Congress, and only Congress can change them. Within limits that Congress has established, the administration has now slightly loosened some of the auto exhaust pollution requirements. Almost everywhere, air quality will continue to improve as more of the new and cleaner cars come onto the road each year. Ten years' experience with automobile pollution leads to a general conclusion that the present set of rules is probably tighter than it needs to be. The administration's decisions here do not signal a retreat from the national commitment to cleaner air.

The consideration of these regulations has a certain relationship to the maneuvering over Japanese imports. Quotas on imports would be a disastrous mistake, and, to its credit, the White House seems deeply reluctant to move in that direction. By far the wisest policy—and the best for the industry—is to keep competition open but, at the same time, get rid of those rules that can be lifted without jeopardizing the public's health and safety. That, so far, is what the Reagan administration seems to be doing.

STATEMENT OF JAMES C. MILLER III
ADMINISTRATOR FOR INFORMATION AND REGULATORY AFFAIRS
OFFICE OF MANAGEMENT AND BUDGET
AND
EXECUTIVE DIRECTOR
PRESIDENTIAL TASK FORCE ON REGULATORY RELIEF
BEFORE THE CONSUMER SUBCOMMITTEE OF THE
SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

APRIL 7, 1981

Mr. Chairman and Members of the Committee:

I welcome this opportunity to discuss reauthorization of the Consumer Product Safety Commission (CPSC).

The Administration's views on the CPSC are those implied in the recent budget submission and those explicitly stated in Director Stockman's testimony before the House Subcommittee on Commerce, Consumer and Monetary Affairs dated March 16, 1981. Additional information is contained in a document which the Office of Management and Budget is releasing today, the relevant portions of which are attached.

As you know, the Administration has proposed a \$12 million (27 percent) reduction in the CPSC's budget authority. It has taken this action for two reasons: first, because this lower level of funding is the amount the Administration

feels is needed for the CPSC to meet its statutory responsibilities; and second, because the Administration believes that if funded at a higher level, the CPSC would likely use the funds to embark on activities beyond its statutory mandate or where other agencies of the government could accomplish these tasks more efficiently.

In support of the Administration's position on the CPSC, today I would like to outline briefly two principles underlying sound regulatory policy that the Committee may wish to address before drawing conclusions about reauthorization.

One principle is that government should intervene only when there is clear evidence that the unregulated market is not working well. Moreover, since government regulation by its very nature is fraught with imperfections, we must be careful to avoid comparing imperfectly functioning actual markets and idealized systems of regulation. Thus, a cogent argument for government intervention requires not only a demonstration that the market fails but that regulation would lead to a superior outcome.

A second principle of sound regulatory policy is that in contemplating government intervention we should be mindful that a variety of regulatory mechanisms are available. In the area of consumer product safety, for example, there are instances where markets could be made to work better if more information were provided. Educating consumers about potential hazards may be far more effective in reducing accidents -- and far less costly to society -- than promulgating mandatory

product standards. For instance, warning consumers not to stick their hands or feet under a power lawnmower while it is running may be more desirable than setting mandatory standards detailing how lawnmowers should be designed so as to prevent injuries. Such mandatory standards create incentives for consumers to defeat safety devices and impose on them higher prices and reduced availability of the regulated products.

These principles are more easily stated than implemented, especially in the context of authorizing legislation. I think casual observation would suggest there are consumer product areas in which some form of government intervention is warranted. However, I feel that in many, if not most, cases such intervention should be in the form of providing information rather than promulgating specific standards.

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I hope these views will prove helpful to the Committee as it considers the CPSC's future. I would be pleased to respond to any questions you might have.

FISCAL YEAR 1982
Budget Revisions

Additional Details on Budget Savings



APRIL 1981

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

Consumer Product Safety Commission

Agency: Consumer Product Safety Commission	Functional Code: 554				Budget Reform Criterion: 6	
<i>Funding</i>	(\$ in millions)					
	1981	1982	1983	1984	1985	1986
CARTER BUDGET:						
<i>Budget Authority</i>	44	45	45	45	45	45
<i>Outlays</i>	44	47	45	45	45	45
REESTIMATES & ADJUSTMENT:						
<i>Budget Authority</i>						
<i>Outlays</i>						
PROGRAM CHANGES:						
<i>Budget Authority</i>	-2	-12	-12	-12	-12	-12
<i>Outlays</i>	-2	-12	-12	-12	-12	-12
REAGAN BUDGET:						
<i>Budget Authority</i>	42	33	33	33	33	33
<i>Outlays</i>	42	35	33	33	33	33

Program Description

CPSC identifies unreasonable hazards associated with consumer products and seeks to control them through education of consumers, obtaining voluntary changes in production by manufacturers or, when necessary, promulgation and enforcement of rules regulating or banning hazardous products.

Proposed Changes

Budget authority and outlays are proposed to be decreased by \$2 million in 1981 and \$12 million in 1982 through selected reductions in field activities, modifying the hospital-based acute injury surveillance systems, limiting expansion in chronic chemical hazard regulation, restricting compliance and enforcement activities, and increasing efficiency of organization.

Rationale

By cutting back lower-priority activities, this proposal would impose needed fiscal restraint, without jeopardizing the agency's statutory mission. CPSC's success in recent years in controlling the most important acute hazards has lessened the need for expensive surveillance activities. Success in achieving voluntary industry compliance and improved cooperation with State and local consumer protection agencies means enforcement activities can be limited. Unanswered questions about the human health impact of chronic chemical exposure indicate a need for more research, not more regulation, in this area.

Key Facts About the Program

- Increased funding will be provided for the HHS National Toxicology Program.
- Interagency regulatory coordination for toxic chemicals is provided by the Interagency Regulatory Liaison Group.



U.S. REGULATORY COUNCIL

Washington, D.C. 20503

STATEMENT OF PETER J. PETKAS
DIRECTOR, U.S. REGULATORY COUNCIL
BEFORE THE
SUBCOMMITTEE ON H.U.D. AND INDEPENDENT AGENCIES
SENATE COMMITTEE ON APPROPRIATIONS
APRIL 8, 1981

Mr. Chairman and members of the Subcommittee, I am pleased to be here today to discuss with you the activities of the U.S. Regulatory Council.

The Council's duties and responsibilities were, until recently, set out in former President Carter's memorandum of October 31, 1978, which created the Council (Attachment I). The Council's functions in that area have now been superseded by the President's Task Force on Regulatory Relief, chaired by Vice President George Bush.

Generally, the Council was directed to help ensure that regulations are well coordinated, do not conflict, and do not impose excess burdens on particular sectors of the public. To help achieve these goals, the Council was also asked to publish the Calendar of Federal Regulations twice a year.

In its two years of existence, the Regulatory Council has worked to achieve lasting reforms in the regulatory arena. The tasks were largely unprecedented, so the Council reform efforts evolved into three major activities:

1. Compiling and distributing information about new rules the federal government plans to issue.
This includes the Calendar of Federal Regulations and the Automobile Calendar.

2. Identifying and promoting effective techniques for regulating. The innovative techniques project which induces agencies to adopt alternatives to traditional command-and-control regulation is one example; assessing the analyses of the benefits of regulation in the non-ferrous metals industry and assisting agencies to improve regulatory analysis techniques are others.
3. Addressing specific problems caused by the diversity of regulatory programs and the lack of communication among them. Here the Council worked to solve problems in the coal industry and in speeding the permits needed to build certain facilities.

On March 25, 1981, Vice President Bush announced that the collegial body known as the Regulatory Council would be disbanded, but that Council staff would continue to work on ongoing projects, particularly the Calendar of Federal Regulations. In particular, on March 25, 1981, the Vice President requested all agencies to continue to cooperate in preparing the Calendar of Federal Regulations. The Calendar and its related projects will be continued in 1982 within the Environmental Protection Agency.

Although the heads of the 38 regulatory agencies which made up the Council will no longer meet as a formal Regulatory

Council, the President's Task Force on Regulatory Relief will be meeting and will be carrying out the worthwhile efforts of the Council. In addition to Vice President Bush, Chairman, the Task Force members are the Secretary of the Treasury, the Attorney General, the Secretary of Commerce, the Secretary of Labor, the Director of the Office of Management and Budget, the Assistant to the President for Policy Development, and the Chairman of the Council of Economic Advisers. With the creation of the Task Force on Regulatory Relief and the expanded role for the Office of Management and Budget under Executive Order 12291 and the Paperwork Reduction Act (P.L. 96-511), and with the projected move of the regulatory review staff of the Council on Wage and Price Stability to OMB, the President felt that a separate Regulatory Council staff function would not be necessary after this fiscal year. Thus no funds are requested for FY 82.

This concludes my prepared remarks. I would be happy to answer any questions you may have at this time.

April 10, 1981

REGULATORY ACTION OFFICERS

<u>DEPARTMENT</u>	<u>NAME</u>	<u>PHONE NO.</u>
Agriculture	Miriam Bender Associate General Counsel	447-3155
Commerce	Edward Wilczynski Richard Herbst	377-2938 377-2652
Defense	D. O. "Doc" Cooke Arthur Ehlers	695-4436 695-4278
Education	Thomas C. Anderson	
Energy	William Funk Deputy General Counsel	252-6736
Health and Human Services		
Housing and Urban Development	Burt Bloomberg Harwood Martin	755-7203 755-6207
Interior	Timothy Elliott	343-4722
Justice		
Labor	Phoebe Marse Assistant to the Solicitor	523-7701
State	Gladys Poticher Gene Malmborg	632-7968 632-2350
Transportation	Neil R. Eisner Assistant General Counsel	426-4723
Treasury	Steven Skancke Executive Secretary	566-2269

Reagan Team: a Regulatory U-Turn

By Ward Sinclair

Washington Post Staff Writer

Last fall John B. Crowell Jr., chief lawyer for a company that is the largest buyer of timbering rights in publicly owned national forests, delivered a rousing attack on federal timber management policies.

Crowell's speech to the Society of American Foresters sent shivers through the environmental community, but it was no surprise. As general counsel for the Louisiana-Pacific Corp., Crowell was known widely for his antagonism toward the U.S. Forest Service.

Today, Crowell is about to take control of the Forest Service as an assistant secretary of agriculture. His pending nomination by the Reagan White House is one of a number of major appointments that suggest the administration intends even more than it has said to reverse federal environmental policy.

Some of the staunchest critics of federal programs in their previous private lives are moving into positions of influence in the government. They include:

- James R. Harris of Indiana, Reagan's choice to head Interior's Office of Surface Mining. As a state senator, he pushed the resolution that led Indiana to

join a Supreme Court case challenging the constitutionality of the strip-mine law he will be sworn to uphold.

- Robert F. Burford of Colorado, the nominee to run Interior's Bureau of Land Management. As speaker of the Colorado House two years ago, he was a leader in a legislative effort to legitimize the Sagebrush Rebellion, which seeks to turn BLM land over to the states. As a cattle rancher, Burford has a permit to graze his stock on 33,614 acres of public land in Colorado.

- Anne M. Gorsuch of Colorado, the president's choice to direct the Environmental Protection Agency. She is a lawyer and former Republican state legislator. She and Burford share common bonds — they were close political allies in the legislature, remain close friends, are both friends of Interior Secretary James G. Watt and were both supported for their jobs by conservative Colorado beer brewer Joseph Coors.

- Ray Arnett of California, the nominee to oversee the Fish and Wildlife Service at Interior. He was state fish and game director when Reagan was governor of California and was scored for positions environmentalists felt to be inimical to game conservation. More re-

See REGULATORS, A6, Col. 1

Reagan's Environmental Team Represents a Regulatory U-Turn

REGULATORS, From A1

cently, as a board member of the National Wildlife Federation, he has been involved in a power struggle aimed at ousting executive vice president Thomas Kimball, a favorite of conservationists.

• Carol E. Dinkins of Texas, the first woman partner in John Connally's Houston law firm, Vinson & Elkins, who is to be assistant attorney general for land and natural resources — the chief federal lawyer on environmental issues. Much of her work in Texas involved corporate clients doing battle over federal air and water protection laws.

• Ted Kronmiller, a House subcommittee staff aide who is reported to be in line to become deputy assistant secretary of state for oceans and fisheries. He has been an assistant to Rep. John Breaux (D-La.), perhaps the leading congressional opponent of

the nearly finished Law of the Sea Treaty the administration is trying to block. Breaux has maintained that the treaty would block the access of U.S. companies to seabed minerals.

In each of these instances, the Reagan choices will replace administrators who generally, although not darlings of the environmental movement, at least were regarded as approachable. For the movement, it is clearly now a new day.

"The problem is that there's no balance in these appointments," said Brock Evans, of the Washington office of the Sierra Club. Added Brant Calkin, Sierra's Southwest representative in Santa Fe: "There's all this talk of the foxes in the henhouse. Well, it may be more like asking Dracula to guard the blood bank."

Through a series of statements and actions, Interior Secretary Watt has left no doubt about the environmental direction of the administration. His aim is to reduce his department's con-

trol over parks, public lands and water, while opening public terrain to more mineral exploration and development.

That approach has sharp echoes throughout the administration. Crowell's pending nomination as chief overseer of the national forests, in the view of environmentalists, follows the pattern.

If nominated and confirmed by the Republican Senate, as is expected, Crowell will be in charge of his old nemesis, the U.S. Forest Service, and be in a position to alter the policies that govern commercial timber cutting on about 90 million acres of national forest land.

The Sierra Club, the Wilderness Society and the Natural Resources Defense Council intend to oppose Crowell's nomination on the ground that it raises conflict-of-interest questions. But, having seen the sunrise of the new day, they don't expect to have much impact.

Crowell's celebrated speech, widely circulated here and across the country by environmentalists, criticized Forest Service policy limiting the amount of old-growth cutting in the Northwest and forest-management rules now taking effect at the direction of Congress.

On both issues, Crowell will be able to change the service's direction if he chooses. He also will be in a position to carry out policy changes recommended in 1979 by the National Forest Products Association legislative subcommittee he headed.

Among other things, the association opposed Forest Service proposals to protect wildlife in the forests through regulation of timber clear-cutting and to protect streams by requiring companies to leave uncut buffer zones of timber along the banks. The association lost on both points, but, as Barlow noted, it is a new day at the Forest Service.

At Interior, Harris, the new head of the strip-mine control office, will be in

a position to alter the policies that he and other conservative state legislators in coal states have fought since a tough regulatory law was passed in 1977.

Both Harris and Watt are in a somewhat unusual situation on strip mining. Indiana, at Harris' behest, is fighting the strip mine law in the Supreme Court. Watt, as president of the Mountain States Legal Foundation in Denver, filed a friend-of-the-court brief supporting Indiana and Virginia at the same time he was being selected as interior secretary-designate.

During his Senate confirmation hearing, Watt promised to "recuse" himself from decisions that might affect companies or individuals that had provided financial support to Mountain States, or in which his foundation had been involved.

Last month, however, Watt announced he was suspending regulatory actions on the distribution of federal-

ly-subsidized irrigation water to large growers in the West. Officials of the Farm/Water Alliance, a lobby for big growers, in a December letter thanked Watt for his past help in litigation aimed at stopping the regulations.

Interior officials maintained last month that Watt's decision did not represent a violation of his promise. And Farm/Water this week contended that its letter to Watt was in error in attributing legal aid to him.

Watt's selection of cattleman Burford to head the Bureau of Land Management, which oversees federal grazing lands in the West, may create similar questions and challenges from environmentalists.

Burford has been quoted as saying that he intends to seek transfer of his permit to graze his stock on BLM lands near Grand Junction, Colo., to one of his sons. A BLM spokesman at Grand Junction, however, said yesterday that the office has not received a transfer application from Burford.

OMB LIST OF REGULATIONS WHICH CAN BE WITHDRAWN IN THE NEXT SIX WEEKS

JAB
 I had this
 pulled from the
 overall OMB
 list. Trash

DEPARTMENT OF AGRICULTURE

<u>Title and description of regulation</u>	<u>Stage of Development</u>	<u>Agency Discretion</u>	<u>Costs (millions)</u>		<u>Economic Sectors Affected</u>	<u>Proposed Target</u>
			<u>One-Time (or Investment)</u>	<u>Recurring (or Annual)</u>		
<u>Work Registration and Job Search.</u> Would require able-bodied food stamp recipients to interview for at least 24 job opportunities identified by state employment security agencies.	NPRM	Some	?	\$95	States Food Stamp recipients	
<u>National School Lunch Pattern Monitoring.</u> Would establish procedures for monitoring the quantity and quality of school lunch food components.	Very early	Total	?	\$2	State school food authorities Local schools	
<u>Agricultural Foreign Investment Disclosure.</u> Rules require foreign owners of U.S. agricultural land to disclose and describe land holdings.	NPRM	Some	?	?	Foreign individuals and entities	

MPT
 returned
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File
 Reg
 Reform

DEPARTMENT OF ENERGY

<u>Title and description of regulation</u>	<u>Stage of Development</u>	<u>Agency Discretion</u>	<u>Costs (millions)</u>		<u>Economic Sectors Affected</u>	<u>Proposed Target</u>
			<u>One-Time (or Investment)</u>	<u>Recurring (or Annual)</u>		
<u>Energy Efficiency Standards for Five Types of Consumer Products.</u> Would set standards for humidifiers/dehumidifiers, clothes washers, television sets, dishwashers, and heat pumps.	NPRM	Some	?	?	Appliance manufacturers	X

<u>Title and description of regulation</u>	<u>Stage of Development</u>	<u>Agency Discretion</u>	<u>Costs (millions)</u>		<u>Economic Sectors Affected</u>	<u>Proposed Target</u>
			<u>One-Time (or Investment)</u>	<u>Recurring (or Annual)</u>		
<u>Prospective Rates for Outpatient Kidney Dialysis.</u> Would set up a new reimbursement scheme for costs of outpatient dialysis.	NPRM	Some	0	0	Hospitals and other dialysis providers	X
<u>Sprinkler Systems.</u> Would require sprinkler systems in newly-constructed nursing homes.	NPRM	Total	\$15	?	Nursing homes	X
<u>Adoption Assistance and Child Welfare.</u> Would require state welfare agencies to provide some uniform services, such as financial assistance to families adopting children with special needs.	ANPRM	Some	?	?	State welfare agencies	X
<u>Intermediate Care Facilities for Mentally Retarded.</u> These rules set treatment and physical plant standards for intermediate care facilities for the mentally retarded.	Final	Some	?	?	States and Mental health facilities	X

DEPARTMENT OF LABOR

<u>Title and description of regulation</u>	<u>Stage of Development</u>	<u>Agency Discretion</u>	<u>Costs (millions)</u>		<u>Economic Sectors Affected</u>	<u>Proposed Target</u>
			<u>One-Time (or Investment)</u>	<u>Recurring (or Annual)</u>		
<u>Airline Employee Protection Program.</u> would give laid-off airline employees first right of hire at all other airlines.	NPRM	Some	?	?	Airlines	X
<u>Davis-Bacon.</u> Rules requires Federal construction contractors to pay certain rates to their employees. The rates are largely based on union contract rates.	NPRM	Total	?	?	Federal construction contractors	X

DEPARTMENT OF TRANSPORTATION

<u>Title and description of regulation</u>	<u>Stage of Development</u>	<u>Agency Discretion</u>	<u>Costs (millions)</u> <u>One-Time (or Investment)</u> <u>Recurring (or Annual)</u>		<u>Economic Sectors Affected</u>	<u>Proposed Target</u>
<u>Passenger Auto Fuel Economy Rulemaking.</u> Would set higher fuel economy standards for passenger cars in Model Year 1985 and later.	NPRM	Total	?	\$10	Auto industry Related industries Consumers	X
<u>Pedestrian Protection.</u> Would reduce pedestrian injuries through mandatory redesign of auto bumper, grill and hoods.	Very early	Total	?	\$400	Auto industry Pedestrians	X

File

SUBJECT: Standards for Factual and Legal Conclusions Supporting Proposed Regulations for Possible Inclusion in Executive Order on Regulations

BACKGROUND

One of the issues included in prior regulatory reform debates has been the applicable standards for factual and legal determinations underlying regulations. This has usually been framed in the context of standards for judicial review of regulations. Under existing law and judicial precedents, agency legal interpretations are given an assumption of validity, in effect giving the challenger the burden of proof that the regulations exceed the agency's legal authority. Also, agency factual conclusions (such as regarding the nature of the problem addressed by the regulations) are generally accepted without much scrutiny of the evidence submitted. Higher judicial review standards to scrutinize both the agency's legal authority and its factual conclusions have been proposed, such as in the Bumpers Amendment (passed by the Senate in 1980) and in a new Bumpers/Laxalt bill this year.

POSSIBLE STANDARD FOR INCLUSION IN EXECUTIVE ORDER

Before approving any proposed regulation, the Department or agency head must:

- (1) make a specific finding, supported by a memorandum of law, that the regulation is clearly within the authority delegated by law and consistent with Congressional intent; and
- (2) make a specific finding that factual conclusions upon which the regulation is based are supported by substantial evidence in the agency record taken as a whole, including comments submitted by the public, particularly members of the public required to comply with the regulations.

The Savings Bank *

SHERWOOD W. TRAVERS
President and Treasurer

November 21, 1980

Mr. James Baker
c/o The Republican National Committee
310 First Street S.E.
Washington, D. C. 20003

Dear Mr. Baker:

The theme of this letter is less government.

The Savings Bank of Ansonia is a \$194 million mutual savings bank. We have total deposits of \$170 million. In our fiscal year ending May 31, 1980, our net operating earnings were \$1,944,000. Because of the increase in interest rates which occurred in the spring of last year and which is recurring now, I am forecasting a net operating income of about \$1,100,000 for our year ending next May 31. 72% of our assets are invested in residential mortgage loans mainly in the 1 to 4 family category. We are faced with a sharply decreasing earnings because of the high cost of deposits and we must do everything we can to control our operating costs.

In March of 1980 the Congress passed the Depository Institutions Deregulation and Monetary Control Act. Under this regulation, we are required to maintain daily deposit statistics reporting them weekly to the Federal Reserve Bank of Boston and maintain certain reserves in our vault or on deposit with that bank.

Enclosed you will find a copy of the first such report we received from the Federal Reserve Bank of Boston. Our statistics are submitted to them as of Thursday of each week. They must then keypunch all of this information for every bank in New England and mail us back a report. You will note that to prepare this report, we must research 17 separate statistical totals for every day of every week, for every week of every month from now on. You will note that the total of our net transactions accounts as shown on page 2 of this report is \$3,484,000. The total of our non-personal savings deposits is \$2,721,000, therefore our reserve requirements are calculated on \$6,205,000. Page 3 of this report reveals that we must maintain total adjusted reserves of \$23,000. The next line of this reserve shows that we have cash in our vaults of \$908,000. In other words, we have an excess reserve position of \$885,000.

12/4 Margaret: Nice thank you.
Unnecessary regula-
tion should be elim-
inated. R.R.
Nov 25 believe

File
Reg. Reform
✓

Mr. James Baker
c/o The Republican National Committee

November 21, 1980
Page Two

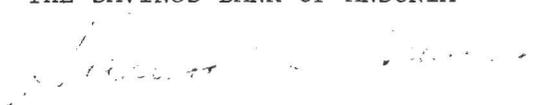
The ridiculousness of this regulation and the cost to us of complying with it is illustrated by the fact that our total transaction deposits, if related to MBI is expressed as the following amount .000000015.

Since the regulation was passed, we have been required to expend over \$900 in sending our officers to New York and Boston to attend seminars with the Federal Reserve Bank concerning compliance with this regulation. We now find that we are required to pay our data processing bureau \$35 a month for computer analysis of our deposits to provide the figures not available to us in our internal files. In addition, we determine that the internal operating cost of preparing and mailing the report becomes \$16.52 each week.

I fully appreciate the need for the Federal Reserve Bank to monitor the money supply and I fully appreciate and support the actions of the Chairman of the Federal Reserve System in attempting to control the reserve balances of all of our banks. However, I ask that our new administration review this matter as it has gone past the realm of reasonableness. To impose on all of the smaller banks in this country the burden imposed by this new regulation is, in my opinion, ridiculous, and I ask your support in attempting to make changes in this monstrous regulation.

Yours very truly,

THE SAVINGS BANK OF ANSONIA


President

SWT:mbp

Enc.

REPORT OF TRANSACTION ACCOUNTS, OTHER DEPOSITS, VAULT CASH,
AND RESERVE REQUIREMENTS

PAGE 1

FEDERAL RESERVE BANK OF BOSTON

11/11/80

SAVINGS BANK OF ANSONIA

ABA

BASE

RESERVE

ANSONIA, CONN. 06401

2111-7271-4

PERIOD ENDED PERIOD ENDED

11/05/80

11/19/80

CLOSE OF BUSINESS DAY DATE	DEMAND DUE TO BANKS		DEMAND DUE TO OTHER INSTITUTIONS		US GOVT DEMAND DEPOSITS		OTHER DEMAND DEPOSITS		ATS ACCOUNTS		TELEPHONE OR PREAUTHORIZED TRANSFERS	
	M	T	M	T	M	T	M	T	M	T	M	T
THU 30		42		0		5		3,246		0		1,014
FRI 31		43		0		5		3,933		0		1,039
SAT 01		43		0		5		3,933		0		1,039
SUN 02		43		0		5		3,933		0		1,039
MON 03		43		0		7		3,575		0		1,039
TUE 04		46		0		7		3,179		0		1,010
WED 05		52		0		6		2,925		0		1,010
TOTALS		312		0		40		24,724		0		7,190
AVERAGES		45		0		6		3,532		0		1,027

CLOSE OF BUSINESS DAY DATE	NOW ACCOUNTS /SHARE DRAFT DEPOSITS		TOTAL TRANSACTION ACCOUNTS		DEMAND DUE FROM DEP INSTITUTIONS		CASH ITEMS IN PROCESS		OTHER SAVINGS PERSONAL		OTHER SAVINGS NON-PERSONAL	
	M	T	M	T	M	T	M	T	M	T	M	T
THU 30		166		4,473		1,022		49		68,309		1,881
FRI 31		170		5,190		1,464		37		68,972		1,883
SAT 01		170		5,190		1,464		37		68,972		1,883
SUN 02		170		5,190		1,464		37		68,972		1,883
MON 03		174		4,838		1,100		4		68,972		1,883
TUE 04		174		4,416		1,274		4		69,240		1,872
WED 05		172		4,165		1,111		4		69,479		1,879
TOTALS		1,196		33,462		8,899		172		482,916		13,164
AVERAGES		171		4,780		1,271		25		68,988		1,881

CLOSE OF BUSINESS DAY DATE	TOTAL OTHER SAVINGS		TIME DEPOSITS PERSONAL		TIME DEPOSITS NPERS LT 4YR		TIME DEPOSITS NPERS GE 4YR		TOTAL TIME DEPOSITS		TIME DEPOSITS GT \$10000	
	M	T	M	T	M	T	M	T	M	T	M	T
THU 30		70,190		95,987		837		204		97,028		234
FRI 31		70,855		96,165		340		205		97,210		234
SAT 01		70,855		96,165		840		205		97,210		234
SUN 02		70,855		96,165		840		205		97,210		234
MON 03		70,855		96,165		340		205		97,210		234
TUE 04		71,112		96,971		340		205		98,016		234
WED 05		71,358		95,984		340		205		96,929		234
TOTALS		496,040		673,502		5,877		1,434		640,813		1,638
AVERAGES		70,869		96,215		340		205		97,259		234

REPORT OF TRANSACTION ACCOUNTS, OTHER DEPOSITS, VAULT CASH,
AND RESERVE REQUIREMENTS

PAGE 2

FEDERAL RESERVE BANK OF BOSTON

11/11/80

SAVINGS BANK OF ANSONIA
ANSONIA, CONN. 06401

ABA
2111-7271-4

BASE
PERIOD ENDED
11/05/80

RESERVE
PERIOD ENDED
11/19/80

CLOSE OF BUSINESS DAY DATE	VAULT CASH	AFFIL OBLIG MATURING IN		AFFIL OBLIG (PERS) MAT		AFFIL OBLIG (NPERS) MAT	
		LT	14DAYS	14D	- 4YRS	14D	- 4YRS
	M T	M T	M T	M T	M T	M T	M T
THU 30	1,324	0	0	0	0	0	0
FRI 31	1,012	0	0	0	0	0	0
SAT 01	1,012	0	0	0	0	0	0
SUN 02	1,012	0	0	0	0	0	0
MON 03	627	0	0	0	0	0	0
TUE 04	436	0	0	0	0	0	0
WED 05	935	0	0	0	0	0	0
TOTALS	6,358	0	0	0	0	0	0
AVERAGES	908	0	0	0	0	0	0

EXPLANATION OF CALCULATIONS

	M	T	M	T	H
TOTAL TRANSACTION ACCOUNTS	-	4,780			
LESS: DEMAND DUE FROM DEPOSITING INSTITUTIONS	-	1,271			
LESS: CASH ITEMS IN PROCESS	-	25			

DAILY AVERAGE NET TRANSACTION ACCOUNTS		3,484			
3% x (AMOUNT THROUGH 25,000,000)				104,5	
12% x (AMOUNT OVER 25,000,000)				0	

RESERVE REQUIREMENT ON TRANSACTION ACCOUNTS (PAGE 3, LINE A)				104,5	
OTHER SAVINGS NONPERSONAL		1,881			
TIME DEPOSITS NONPERSONAL MATURING LESS THAN 4 YEARS	+	840			

TOTAL NONPERSONAL		2,721			
RESERVE REQUIREMENT ON NONPERSONAL @ 3% (PAGE 3, LINE P)				81,6	

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REPORT OF TRANSACTION ACCOUNTS, OTHER DEPOSITS, VAULT CASH,
AND RESERVE REQUIREMENTS

PAGE 3

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11/11/80

RESERVE CALCULATIONS

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*** M T H *** RESERVES COMPUTED USING RATIOS IN EFFECT CURRENTLY
A      104,5 A TOTAL FOR NET TRANSACTION ACCOUNTS ,ALL RATIOS
B      81,6 B TOTAL FOR ALL NON-PERSONAL TIME DEPOSITS
-----
TN     186,1 TN TOTAL RESERVES COMPUTED USING RATIOS IN EFFECT CURRENTLY

*** M T H *** EXPLANATION OF ADJUSTMENTS
TN     186,1 TN TOTAL RESERVES COMPUTED USING RATIOS IN EFFECT CURRENTLY
      .8750 X TIMES X APPLIED TO COMPUTE TRANSITIONAL ADJUSTMENT
-----
A1     162,8 A1 TRANSITIONAL ADJUSTMENT

*** M T H *** REQUIRED DEPOSIT CALCULATION
TN     186,1 TN TOTAL RESERVES USING RATIOS IN EFFECT CURRENTLY
-A1    162,8 A1 TRANSITIONAL ADJUSTMENT
-----
TAR     23,0 TAR TOTAL ADJUSTED REQUIRED RESERVE (HUNDREDS TRUNCATED)
-VC     908,0 VC VAULT CASH
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NRR           0 NRR NET REQUIRED RESERVES
    
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ANY DISCREPANCY BETWEEN THE FIGURES IN THIS REPORT AND THE RECORDS OF YOUR BANK
SHOULD BE REPORTED TO OUR ACCOUNTING DEPARTMENT TELEPHONE NUMBER 617-973-3008