

tive agency having functions which require rules of procedure establish means for continuous observation and evaluation of its procedures.

The Bureau of the Budget is aware that there is not unanimous agreement on all details as set forth in S. 1664. As a result of views received from a number of sources in the course of preparing the draft bill, extensive consideration was given to alternatives, particularly with respect to the scope and composition of the Conference.

In general, S. 1664 would bring within the scope of the Conference all Federal functions involving rulemaking and adjudication which determine the rights, privileges, and obligations of private persons; exceptions to the scope of the bill are specifically spelled out in the definition of "administrative program" in section 3(a) of the bill. The definition would place outside the scope of the Conference any military, naval, or foreign affairs function of the United States and any matter relating to agency management or personnel or to public property, loans, grants, benefits or contracts except to the extent that such function or matter consists of proceedings and decisionmaking required by law to be conducted in conformity with sections 7 and 8 of the Administrative Procedure Act or the imposition of penalties on private parties through agency action not subject to sections 7 and 8 of the act. The definition also excludes any matter subject to a subsequent trial of the law and the facts de novo in any court; proceedings in which decisions rest solely on inspections, tests, or elections; cases in which an agency is acting as an agent for a court; and the certification of employee representations.

These exclusions incorporated in S. 1664 are based on the exclusions which Congress incorporated into sections 4 and 5 of the Administrative Procedure Act for reasons which we believe are generally understood. They will make the coverage of S. 1664 consistent with the coverage of sections 4 and 5 of that act, which prescribe procedures for rulemaking and adjudication, respectively, except with respect to imposition of penalties, as described above, where the coverage of S. 1664 is broader than the coverage of the act.

The effect will be to enable the Conference to concentrate very largely on the procedure used in formal proceedings. This is the area about which there has been widespread concern for many years with respect to excessive delays and costs and unduly voluminous records. It is the area in which a Conference composed of the membership proposed in S. 1664 can make a unique contribution because of the general background and experience which the members could bring to bear.

We believe it is essential, for this organization as for other Federal bodies, to define the scope of its responsibilities with sufficient clarity to guide its activities into useful channels. The scope as defined is sufficiently broad to enable the Conference to consider all matters which have a bearing on its primary objectives without dissipating its efforts through expansion into areas which are essentially unrelated and fundamentally different.

The composition of the Conference as proposed in S. 1664 underscores the fact that the Conference would be an official agency of the Federal Government. And I would like to emphasize here again, Mr. Chairman, that we feel it is fundamental to the central purpose of this