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**Presidential Documents**

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**Title 3—****Memorandum of April 21, 1995****The President****Regulatory Reform—Waiver of Penalties and Reduction of Reports**

**Memorandum for**  
**The Secretary of State**  
**The Secretary of the Treasury**  
**The Secretary of Defense**  
**The Attorney General**  
**The Secretary of the Interior**  
**The Secretary of Agriculture**  
**The Secretary of Commerce**  
**The Secretary of Labor**  
**The Secretary of Health and Human Services**  
**The Secretary of Housing and Urban Development**  
**The Secretary of Transportation**  
**The Secretary of Energy**  
**The Secretary of Education**  
**The Secretary of Veterans Affairs**  
**The Administrator, Environmental Protection Agency**  
**The Administrator, Small Business Administration**  
**The Secretary of the Army**  
**The Secretary of the Navy**  
**The Secretary of the Air Force**  
**The Director, Federal Emergency Management Agency**  
**The Administrator, National Aeronautics and Space Administration**  
**The Director, National Science Foundation**  
**The Acting Archivist of the United States**  
**The Administrator of General Services**  
**The Chair, Railroad Retirement Board**  
**The Chairperson, Architectural and Transportation Barriers Compliance Board**  
**The Executive Director, Pension Benefit Guaranty Corporation**

On March 16, I announced that the Administration would implement new policies to give compliance officials more flexibility in dealing with small business and to cut back on paperwork. These Governmentwide policies, as well as the specific agency actions I announced, are part of this Administration's continuing commitment to sensible regulatory reform. With your help and cooperation, we hope to move the Government toward a more flexible, effective, and user friendly approach to regulation.

A. *Actions:* This memorandum directs the designated department and agency heads to implement the policies set forth below.

1. *Authority to Waive Penalties.* (a) To the extent permitted by law, each agency shall use its discretion to modify the penalties for small businesses in the following situations. Agencies shall exercise their enforcement discretion to waive the imposition of all or a portion of a penalty when the violation is corrected within a time period appropriate to the violation in question. For those violations that may take longer to correct than the period set by the agency, the agency shall use its enforcement discretion to waive up to 100 percent of the financial penalties if the amounts waived

are used to bring the entity into compliance. The provisions in paragraph 1(a) of this memorandum shall apply only where there has been a good faith effort to comply with applicable regulations and the violation does not involve criminal wrongdoing or significant threat to health, safety, or the environment.

(b) Each agency shall, by June 15, 1995, submit a plan to the Director of the Office of Management and Budget ("Director") describing the actions it will take to implement the policies in paragraph 1(a) of this memorandum. The plan shall provide that the agency will implement the policies described in paragraph 1(a) of this memorandum on or before July 14, 1995. Plans should include information on how notification will be given to frontline workers and small businesses.

2. *Cutting Frequency of Reports.* (a) Each agency shall reduce by one-half the frequency of the regularly scheduled reports that the public is required, by rule or by policy, to provide to the Government (from quarterly to semiannually, from semiannually to annually, etc.), unless the department or agency head determines that such action is not legally permissible; would not adequately protect health, safety, or the environment; would be inconsistent with achieving regulatory flexibility or reducing regulatory burdens; or would impede the effective administration of the agency's program. The duty to make such determinations shall be nondelegable.

(b) Each agency shall, by June 15, 1995, submit a plan to the Director describing the actions it will take to implement the policies in paragraph 2(a), including a copy of any determination that certain reports are excluded.

B. *Application and Scope:* 1. The Director may issue further guidance as necessary to carry out the purposes of this memorandum.

2. This memorandum does not apply to matters related to law enforcement, national security, or foreign affairs, the importation or exportation of prohibited or restricted items, Government taxes, duties, fees, revenues, or receipts; nor does it apply to agencies (or components thereof) whose principal purpose is the collection, analysis, and dissemination of statistical information.

3. This memorandum is not intended, and should not be construed, to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or its employees.

4. The Director of the Office of Management and Budget is authorized and directed to publish this memorandum in the **Federal Register**.



THE WHITE HOUSE,  
Washington, April 21, 1995