

AP US Government: The Federal Bureaucracy Test

- Bureaucracy has a negative connotation. Most Americans think of it as waste, bloat (too big) rigid rules, mindless spending, deadlock and delay.
 - This is absolutely correct, but it is one-sided, short and narrow minded
 - Part of the reason they feel it is bloated is that government regulation of society has grown as there are more government jobs, government has increased budget of agencies, and the agencies have imposed more rules.
- The nation cannot function on any level whatsoever without the bureaucracy
- Bureaucracy – an effective system of organizing a large number of people
 - Often equated with government, however, any organization with a large number of employees that requires organization is a bureaucracy. Examples include colleges, universities (college application process), high schools, jobs, Apple Inc.
- Bureaucracy is based on 3 principles
 1. Hierarchical authority – chain of command/pecking order necessary or else there is chaos
 - For example in a school system there is the superintendent, the principal, the vice-principal, and then the teachers.
 2. Job specialization –
 - yields to efficiency, cuts out waste
 - Has to be a concise division of labor – succinct role guided by rules – (every wrung in a hierarchy has a particular job to complete or else confusion)
 - Ex. NJ State education system
 3. Formalized rules

The Federal Bureaucracy

- 2.75 million employees(4.5 million govt. employees) – exs. mail, energy (PSE&G), cable
- The president and Congress get the most attention
- **The chief principle of the federal bureaucracy is division of labor among different groups(each organization is dif.) – it is the only way † ensure that a job will get done**
- Article 2 tells us that prez. may consult heads of various executive departments so no agencies are given authority by the Constitution but are given power by the 3 branches but it **does not mean that they are an administrative extension of the 3 branches!**
- **The Fed. Bureaucracy is broken down into a series of **organizations**
 1. Cabinet – the bureaucracy is where it maintains its relevance – **most important administrative unit of government**
 - Appointed by prez., confirmed by Senate
 - Each department has a different responsibility and is constructed differently
 - Ex. Department of the Interior – overseas US's natural resources, handles Native American affairs so they **divide labor into bureaus** such as the Bureau of Indian Affairs
 - Oldest Cabinet Departments
 - State Department – most prestigious, smallest.
 - Department of Defense – Largest and 2nd highest budget
 - **Health and Human Services Dept. – highest budget**, accounts for 1/3 of all federal spending due to Medicare and Medicaid (entitlement programs)

2. Independent Executive Agencies

- Resemble cabinet department but with a smaller scope and scale
- Heads appointed by prez. without Senate approval
- Serve at the president's will
- These organizations cannot be in the cabinet because then their purpose becomes cloudy
 - Ex. NASA cannot be in Dept. of Defense because then it would have to do a specific job
- Examples – CIA, NASA, Social Security Administration, GSA (runs and maintains all land owned by govt.), National Science Foundation

3. Regulatory Agencies

- **Controls and handles nation's economic activity**
 - (Deal with economy when Congress recognizes the importance of close scrutiny of the economy)
- Beyond Congress' abilities as it requires more time and expertise
- Each agency has power over a different economic activity and acts in public interest
- Every regulatory commission has a commission – 5-10 commissioners nominated by prez. and confirmed by Senate that prez. cannot remove
- The agencies are allowed to
 1. create regulations – legislative authority
 2. implement regulations – legislative authority
 3. Punish those that do not follow regulations – executive, judicial authority
- Examples – SEC, FTC, FRB, NLRB, FCC
 - Securities and Exchange Commission (SEC)
 - Regulates buying, selling, trading stocks and other commodities.

- Can investigate corporations/individuals and can impose fines – judicial authority
- Controls securities – executive, legislative authority
- Federal Trade Commission(FTC)-controls business practices, prevents monopolies from forming
 - *Humphrey's Executor v. United States* – said president has to establish **just cause** after FDR fired Humphrey's from a commission
- Federal Reserve Board(FRB)- Governs nation's bank and regulates supply of money in circulation and currency
- National Labor Relations Board(NLRB) – maintains peace between labor and management
- Federal Communications Commission(FCC) – licenses radio, television stations, internet content, TV and phone rates

4. Government Corporations

- Similar to but different from private corporations
- Provide same services that private corporations do but at a cheaper rate since they receive federal funding to offset operating costs
- Each group has director appointed by prez with advise and consent of Senate
- Examples
 - US Postal Service – largest government corp. w/ 800,000 employees
 - Raises prices to make more \$
 - Federal Deposit Insurance Corp.(FDIC)
 - Amtrak – National Railroad Passenger Corporation
 - Tennessee Valley Authority
 - Established in 1933, it controls flooding, improves navigation,

protects soil against erosion, provides substantial amounts of cheap electricity – covers states affected by flooding from Tennessee River

5. Presidential Commissions – do not have much power/authority, but help
- Organizations established by pres. that are temporary and provide assistance and advice such as the Commission of Civil Rights or Fine Arts.
 - ****Implementation – the true source of the power and primary function of the bureaucracy (creative control)**
 - Our nation's laws are irrelevant until implemented by bureaucratic agencies – they decide how the laws will be put into practice and whether they can work
 - Without the FCC, inappropriate things would be on TV and without the SEC there would be millions of Maddoffs
 - **They are the only implementers of federal legislation**
 - *Engle vs. Vitale* – schools have to implement
 - Telecommunications Act of 1996 – cut in funds to TV channels only if FCC pressures them to do it
 - Policy implementation requires 3 factors:
 1. Creation of a new agency or the assigning of a new responsibility to an old one
 2. Translation of policy goals into operational rules and guidelines – how to follow standard operating procedures(sops)
 3. Coordination of resources to achieve the intended result

- Telecommunications Act of 1996
 - Reorganized telecommunications industry such as who had access and was broadcast – provisions included:
 1. Everyone regardless of economic ability should have access to info: TV, radio, phone, internet and all schools should have info by 2000.
 2. Deregulate TV industry completely
 3. Parental control - Parents will be given total control over what is available to go out over TV
 - FCC had to implement provisions into practice by
 1. FCC is responsible
 2. All TVs after 1997 have v-chip (parental control)
 3. Survey to school to make sure received info

Problems with bureaucratic implementation

1. Theoretical wrongs/**program design** – sometimes the laws imposed by Congress won't work (cannot put square peg in round hole)
2. Lack of clarity – no one can find out what law means so bureaucracy is blamed – keeps lawmakers out of trouble
- Best ex. Education Act of 1972 – no one shall be discriminated in federally funded education so seems that colleges couldn't discriminate
 - Section 844 was added to Title 9 because there was a lack of clarity – said women's collegiate sports should be given same consideration as men's
3. Lack of Resources and Authority
 - Resources - Most Americans associate bureaucracies with bloat but the exact opposite is true because the bureaucratic agencies lack money, manpower, resources, and training which is necessary to implement policy
 - Authority – FDA does not have authority to conduct own test such as with diet/exercise pills, Dept. of Agriculture cannot shut down food processing plants
 - ****Fragmentation**-problem with implementation- responsibilities are too spread out (too many agencies)

- Ex. Dept. of Homeland Security (2003) – prior to 9/11 the US had 46 intelligence gathering agencies and the agencies did not share with each other
- Where reputation comes from – with all agencies it appears like nothing gets done
- **Public Policy needs to be clear and unambiguous from implementing to work
 - Ex. Voting Rights Act of 1963 – sets up clear parameters outlawing literacy test as a means to register voters– inspectors go to southern states to report problems and they act on reports-by the end of 1966, 300,000 blacks registered.

Regulation – government using its power to change or control any practice in private sector/life – their most controversial role

- Besides Implementing, the bureaucracy plays a role in regulation of the economy such as interest rates, controls nuclear power plants and everyday life
- Every agency has a regulatory role – govt. did not play a regulatory role until 1887, which changed in 1877 with *Munn vs. Illinois*
 - The state govt. regulated prices by establishing a price ceiling for grain distributors.
 - Grain distributors said due process rights under 14th Amendment were denied as the govt. was regulating the free market
 - The Supreme Court upheld the Illinois statute, entering the govt. into the regulation business
- 1887 – Interstate Commerce Act – created Interstate Commerce Commission as a result of *Wabash vs. Illinois* – regulated railroads, railroad rates and services railroads provide to farmers
- Regulation Methods
 1. Agency waits until complaint comes and then acts
 2. Send inspectors to field to make sure regulations are being followed
 3. Require you to gather a permit/license (ex. FCC)

- **3 elements to all regulation**
 1. Grant of power and set of directions by Congress
 2. Set of rules and guidelines by agency - Most agencies come up with **rules and guidelines made in consultation with those being regulated**
 3. A means of enforcing compliance with these guidelines such as fines - They must enforce the rules in practice or in court
- Some say the bureaucracy has become too big a part of our lives so we need **deregulation**
 - Deregulate because complexity of regulation has made it too difficult to get things done
 - **Criticisms of regulation**
 1. Regulation raises prices, deregulation lowers prices
 - EPA – rules limiting pollution by retooling factory which costs factory owners money
 2. Hurts US competitively overseas – European countries have less regulations so there are lower prices
 3. **Biggest-It does not work well** – rules are difficult to enforce – ex. Control every radio station, factory
 - Some things should be regulated (things that provide competition like cable companies) and some shouldn't
- Bureaucracy – one of most democratic instruments we have
 - Democratic theory – pop. Control of govt. depends on elections.
 - They should appeal to interest but do not need to since they are not reelected
 - **Only way we can ensure bureaucracy is kept under control is those that we elect to appoint people to bureaucracy can control them – President, Congress**
 - **Presidential Control**
 1. Needs “friends in high places” (appointing the right people to head the agencies – ex. Sec. of State-

knowledge in foreign affairs – best way to influence policy

2. Issue orders – prez. issues exec. order for agency to do something with same weight as treaty or has aid tell agency what to do
 3. Tinker with agency's budget – Office of Management and Budget(OMB)-Prez. can use to control budget of anything as all budgets go there. He can tell them to lower a budget until that agency does something
 4. Reorganize agency – combine, eliminate, move
 - Ex.1995 – Social Security Administration removed from Dept. of Health and Human Services and made its own agency
- **Congressional Control**
 1. Influence appointments of agency heads – can guide prez.
 2. Appropriations/Tinker with agency's budget – cut off funding to bureaucracy
 3. Hearing as part of oversight function – committees and subcommittees can investigate agencies so that they will do what they want
 4. Rewrite legislation or make it more detailed
 - **Iron Triangle** – makes it hard for Prez/Congress to control bureaucracy
 - When committees, agencies, and interest groups all depend on one another and are in close frequent contact they form an iron triangle – they will always work together
 - Rely heavily on use of experts
 - Form when specific policy is need in a certain area
 - **Issue Networks** – also makes them difficult to control
 - Have opposing sides with difs. of opinion attempting to work together to formulate legislation – compromise
 - Ex. Environmentalists(conservationists) work with loggers and housing people(non conservationists)