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Subseries:

OA/ID Number: 7550

FolderID:

Folder Title:

RIGO [Reinventing Government] [2]

Stack:

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11

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RIGGO

26 August

TO: MARK GEARAN

FR: MARLA ROMASH 

RE: RIGO UPDATE

Several things follow this memo:

- o RIGO REPORT
- o ANNOUNCEMENT PLANNING MEMO/SCHEDULE
- o LIST OF TASKS ASSOCIATED
- o MEMO TO CABINET

PLEASE CALL ME TO TALK ABOUT ALL THIS!

1. REPORT: PLEASE READ ASAP!

The announcement will be centered on an approximately 150-page report, organized around four central themes, that summarizes the RIGO recommendations. I would really appreciate your reading the report -- holding it very confidential -- and letting me know what you think ASAP. It's supposed to go to Gore tomorrow. (Your copy has my comments/edits on it) There are other documents that will be released and are explained in the announcement memo that follows.

2. COMMUNICATIONS

The most recent version of the announcement planning memo follows here. I met last week with Dreyer, Seidman, Prince, media affairs kids, and others in VPs office to talk about events, etc. (For example, Prince is working with Dennis Alpert on two D.C. events for 9/7 and 9/8)

There still is uncertainty about the POTUS schedule. The Vice President feels **STRONGLY** that he has a commitment from the President to travel with him -- including to California. The schedule reflects that belief and accommodates the need to return POTUS to Washington Thursday night for a reception.

It is critical that we get some decisions about POTUS schedule so we can begin to plan these events. Tuesday and Wednesday are set, I'm told [maybe you could check?]. Thursday, Friday, Saturday are totally up in the air (for everyone but the VP, who believes this is a done deal.)

We need to talk about documents -- I'm reading/editing or writing everything that will be released but what's the White House approval process?

George, David and Howard all have reviewed the cuts lists. And, they received the first draft of the report. But what's the process now? Do I need to run documents through anyone? Who? How? The deadlines are horrible. (None of the summary/press documents have been written yet because the 150-page report isn't completed. But eventually, we will have the 150-page report, a 10-15 page summary of the report; a 4-page 'newsletter' summary; and, 1-2 page summaries of each team report.)

Here are the highlights (more in memo):

TUESDAY 9/7: ANNOUNCEMENT

- Breakfast with business leaders who have 'reinvented' their companies
- ANNOUNCEMENT

South lawn event-- backdrop is two fork lifts containing all the paper we're going to get rid of [personnel rules, budget rules, procurement rules, etc]

Cabinet attends w/ biz leaders from b'fast, RIGO team members, and other people VPOTUS has met with interesting stories

WEDNESDAY 9/8 PROCUREMENT

- AM event w/POTUS, VPOTUS

The working idea is to go to a GSA warehouse and set up a display of sorts that demonstrates government procurement horror stories. POTUS/VPOTUS walk through display, then release/talk about specific recommendations to improve procurement.

- VPOTUS to NYC for NYT editorial board, Newsday editorial board, Taping of David Letterman show ("Stupid Government tricks")

THURSDAY 9/9

(POTUS economic speech in AM)

- POTUS/VPOTUS to CHICAGO

Emphasis on reforms for state and local governments (waivers, fewer mandates, etc) The working idea centers around Vince Lane, the innovative head of Chicago's Housing Authority, but this still is coming together.

(POTUS returns to DC for Kennedy Center reception, VPOTUS on to Dallas)

FRIDAY 9/10

- POTUS/VPOTUS to DALLAS

Event to be determined -- Dallas types are recommending a visit to the Dallas Independent School Board which was a mess before TX completed its "Texas Performance Review" and helped turn it around.

- POTUS/VPOTUS TO CALIFORNIA
RON LOS ANGELES/ORANGE COUNTY

SATURDAY 9/11

- POTUS/VPOTUS TAPE RADIO ADDRESS FROM CA
- CALIFORNIA/ORANGE COUNTY EVENT

Event to be determined -- would focus on RIGO high technology. (RON DC)

August 26, 1993

MEMORANDUM FOR THE VICE PRESIDENT

FR: Marla Romash 

RE: ANNOUNCING THE NATIONAL PERFORMANCE REVIEW

BACKGROUND: The environment has changed dramatically since the first draft of the communications/roll out plan for the National Performance Review. The reconciliation fight has created an urgent and intense hunger for spending cuts and a demand for proof of the Clinton commitment to those cuts. The DLC survey and focus groups strongly reinforce the review's appeal to Perot voters. And, a check on the Administration's political capital, makes clear the importance of the NPR as a means to strengthen the President's hand as we move into health care and NAFTA.

GENERAL PRINCIPLES: We **must** use this announcement and the days immediately following to cement in the public mind that we are determined to bring dramatic change to government, to cut costs and improve services. If we can effectively tap into the public anger toward government and the hunger for increased efficiency and cuts; if we can make the public aware that we share their outrage and are determined to make changes, we can build public support that will translate into Congressional support.

Essential to this task is recognition that this demands an early focus on broad principles and bold cuts/changes, not detailed explanations. We don't want to fight this out on every detailed recommendation. (Too many fronts in that war.) We do want to build such a strong wave of public support to cut costs and improve government that anyone who would challenge our proposals does so at risk of public outrage.

Our message should be focused around a tight and focused list of real-life cuts and improvements we're suggesting. This must be about cutting spending AND improving government. The media is hungry for horror stories (the ash tray, the steam trap, the wool glove). We should provide them. And, further, we should use this list as proof that we're doing something to clean-up the mess we've found. Once we get this message out (with a roar) we can go back to the details for the benefit of the experts and opinion leaders. (I'm eager to see the results of Stan Greenberg's work to fine tune, but my gut and the available data tells me this is the way to go.)

THE PLAN:

WEEK OF AUGUST 30

- o **CABINET BRIEFING: For Cabinet Secy's, Chiefs of Staff, Communications Dir.**
It's important that we get the Cabinet 'on-message' and energized about the importance of this project and their role as surrogates. This briefing would be similar to the budget briefings you've opened in Room 450 of the Old Executive Office Building. The purpose of this meeting would be to provide the cabinet with talking points, a sense of mission, and an understanding of how this must be a priority. We would **not** at this time release the final documents but would provide general talking points, and other materials (such as examples of some of the things we've found that illustrate how the government is broken). This may not work because Cabinet Secy's are on vacation. I would recommend doing it with as many as we can get and with staff. *(Need to set 8/31)*
- o **PEOPLE MAGAZINE**
To get in issue that will be printed the week of the announcement, you should be interviewed by PEOPLE. My sense is they will be more interested in the horror stories than the recommendations, but we should be prepared to give them something (a small piece of the recommendations). *(Want interview w/ RIGO peg; also want pix with Tipper at NavObs; need to talk to Skila/Sally; UNLIKELY bkz of pix request)*
- o **PRIME TIME**
Interview for Thursday night 9/2. Ira does not want to talk about recommendations. He only wants to talk to you about what you found.
- o **TIME EXCLUSIVE FOR WEEK OF 9/6**
Get TIME to postpone working story for week of 9/5 cover, with exclusive info from report. *(need to sked AGJ interview)*
- o **FRIDAY: OPINION LEADERS/TALK MAILING**
Mailing Friday (or Saturday) for Tuesday delivery to 'movers-shakers' list, key editorial writers, radio/tv talk show hosts, opinion leaders, etc. Mailing would not include large document but summary documents and fact sheets.

WEEK OF SEPTEMBER 5 - 11

(NOTE: For this week, for after Tuesday's announcement, will line up credible voices for op-eds in Washington and around the country in targeted districts to play Wednesday morning and through the weekend. Should include Cabinet, business leaders, union leaders, experts)

Sunday, September 5

o 60 MINUTES

(Need to work out Prime Time; possible only if PRIME TIME falls apart)

Monday, September 6 LABOR DAY

(NOTE: open -- perhaps for the jobs event. Otherwise clear)

Tuesday, September 7 ANNOUNCEMENT DAY

(All times tentative)

* USA TODAY OPEDIT

8:30 a BREAKFAST WITH BUSINESS INNOVATORS (w/POTUS)

10:00a ANNOUNCEMENT w/POTUS

Audience should include:

-- Business innovators from breakfast

-- Federal workers with stories

-- RIGO team members

-- Cabinet

(*NOTE: The business leaders and federal workers with stories immediately become surrogates/validators for the NPR, through interviews set up on the lawn, a stake-out or both)

11:30 COFFEE WITH FEDERAL WORKERS w/POTUS

Invite the people with stories, the RIGO team leaders.

12:30p TENTATIVE -- MEETING WITH FRESHMEN MEMBERS?

1:45p REGIONAL ROUNDTABLE

VPOTUS meets with reporters from major dailies in key states.

3:00p SATELLITE INTERVIEWS to key markets

4:30 p CALLS TO EDIT WRITERS (NYT, LAT, WPOST, USA TODAY)

5 p NEWSWEEKLIES INTERVIEW

6p MCNEIL LEHRER

7p C-Span
PM LARRY KING LIVE? NIGHTLINE?

SURROGATES:

CABINET: Targeted radio/print interviews to regional markets around the country.

BUSINESS LEADERS: Hometown, business media interviews, real people angle for nationals.

FEDERAL WORKERS WITH STORIES: Hometown, real people angle to regional and national markets.

Wednesday, September 8

7a NETWORK MORNING SHOWS
10a EVENT WITH POTUS TBD
11:30a DEPART FOR NEW YORK CITY
1p LUNCH MEETING WITH NEW YORK TIMES EDITORIAL BOARD
3:30p MEETING WITH NEW YORK NEWSDAY EDITORIAL BOARD
5:30p TAPE DAVID LETTERMAN SHOW: STUPID GOVERNMENT TRICKS
ASHTRAY TESTING
PM Return to DC

SURROGATES:

CABINET: Continues regional radio/print; travel.

BUSINESS LEADERS: Book regional interviews as appropriate.

OPINION LEADERS: We need to identify the management experts who will support the National Performance Review and get them in the loop and in interviews for specialty media as well as local interviews.

Thursday, September 9

am POTUS ECONOMIC SPEECH
Depart for CHICAGO
?pm CHICAGO COMMUNITY EMPOWERMENT EVENT

?pm OPRAH WINFREY SHOW
[still working, not confirmed]

pm CHICAGO TRIBUNE EDIT BOARD (if time)
ROYKO interview

pm INTERVIEWS LIVE WITH NETWORK ANCHORS
This is a long-shot, but worth talking to the nets about live interviews during
the evening news broadcasts.

pm POTUS RETURNS TO DC
VPOTUS TO DALLAS, TX

RON DALLAS

SURROGATES:

CABINET: Travels to target markets. Continues regional radio/print if no travel.

BUSINESS LEADERS: Book regional interviews as appropriate.

OPINION LEADERS: Management experts who support the National Performance Review
do interviews for specialty media as well as local interviews.

TOP ADMINISTRATION OFFICIALS: Spin list for calls to weekend talkers, columnists

Friday, September 10

am DALLAS MORNING NEWS

am DALLAS, TX EVENT

? TO LOS ANGELES, CALIFORNIA

 ? LA TIMES EDITORIAL BOARD

 ? LENO (VPOTUS)

Saturday, September 11

am RADIO ADDRESS FROM CA ON NATIONAL PERFORMANCE REVIEW

am ORANGE COUNTY EVENT -- HIGH TECH

RETURN TO DC

WEEK OF SEPTEMBER 12- 18

Sunday, September 12

o WASHINGTON POST OUTLOOK

am SUNDAY MORNING SHOWS

Monday, September 13

am REGULATORY REFORM/REVIEW EVENT w/POTUS

afternoon INTERVIEW WITH WH RADIO GROUP

Tuesday, September 14

am AGENCY EVENTS? *PERFORMANCE AGREEMENTS*

afternoon: ROUNDTABLE WITH BUSINESS REPORTERS

Wednesday, September 15

am ?

afternoon: ROUNDTABLE WITH GOVERNMENT REPORTERS

Thursday, September 16 - Saturday, September 18

HEALTH CARE

WEEK OF SEPTEMBER 19 - 25

HEALTH CARE

WEEK OF SEPTEMBER 26 - OCTOBER 1

o RELEASE TWO-VOLUME BACK-UP

o WHITE HOUSE TONGS
SPECIALTY/BEAT REPORTERS: focus on specific subjects as reports are released.

HANDOUTS: In addition to the official NPR book

Internal documents:

- o TALKING POINTS
- o Qs and As
- o List of team leaders with phone numbers

PUBLIC DOCUMENTS

- o "COMIC BOOK" -- 4-page 'newsletter' format
The Texas Performance Review people call it their "comic book." What it is, is a four-page leaflet (8-1/2 X 11 when folded), laid-out like a newsletter. It includes (as will ours), a summary of why, what, how of the recommendations as well as fun facts. I'm going to talk to the folks handling graphics for the main NPR report so the two will be related.
- o 10-15 page SUMMARY
This will be a bound, magazine-like (but not glossy) document we can mail. (Whereas the main document may be too cumbersome)
- o ONE PAGE SUMMARIES BY AGENCY/SYSTEM
Just what the title implies -- one page summaries of the recommendations split by agency or system.
- o VALIDATORS
For distribution the day of the event (to encourage reporters to go after them) a list of the federal workers with stories and of the business people (with background on their success stories) who attend the announcement. (One list that would provide names and stories)

GEOGRAPHIC TARGETS: I'm targeting for Perot voters, for key Congressional districts and states (home for members with influence on RIGO), and cities/states with large number of federal workers (e.g. Maryland, Atlanta, Boston).

ARIZONA: Phoenix

CALIFORNIA: Sacramento, Santa Barbara, San Diego

COLORADO

CONNECTICUT: Hartford, New Haven

DELAWARE

FLORIDA: Gainesville, West Palm Beach

GEORGIA

IDAHO

INDIANA

KANSAS: Kansas City

MISSOURI

NEVADA

NEW HAMPSHIRE

NEW MEXICO

KENTUCKY
LOUISIANA
MAINE: Portland
MICHIGAN: Detroit
MINNESOTA: Minneapolis
PENNSYLVANIA
TEXAS
VERMONT
WEST VIRGINIA
WYOMING

NEW YORK (Syracuse, Albany, Roch)
NORTH CAROLINA
OHIO
OKLAHOMA
OREGON
SOUTH CAROLINA
UTAH
WASHINGTON: Seattle
WISCONSIN: Milwaukee

			Wed. Sept. 1, 1993	Thu. Sept. 2, 1993	Fri. Sept. 3, 1993	Sat. Sept. 4, 1993
	30	31				
	TIME	CABINET SEIZY'S BRIEFING		PRIME TIME	MAILING	
Sun. Sept. 5, 1993	Mon. Sept. 6, 1993	Tue. Sept. 7, 1993	Wed. Sept. 8, 1993	Thu. Sept. 9, 1993	Fri. Sept. 10, 1993	Sat. Sept. 11, 1993
		<u>ANNOUNCEMENT</u>	<u>PROUREMENT</u>	CHICAGO (STATE & LOCAL)	(? ONE STOP?) DALLAS TO LA (	LA (CHVAT TEL#)
Sun. Sept. 12, 1993	Mon. Sept. 13, 1993	Tue. Sept. 14, 1993	Wed. Sept. 15, 1993	Thu. Sept. 16, 1993	Fri. Sept. 17, 1993	Sat. Sept. 18, 1993
SUNDAY SHOWS	REG REVIEW	REVENUES? PERFORMANCE PERCENTAGES				
Sun. Sept. 19, 1993	Mon. Sept. 20, 1993	Tue. Sept. 21, 1993	Wed. Sept. 22, 1993	Thu. Sept. 23, 1993	Fri. Sept. 24, 1993	Sat. Sept. 25, 1993
Sun. Sept. 26, 1993	Mon. Sept. 27, 1993	Tue. Sept. 28, 1993	Wed. Sept. 29, 1993	Thu. Sept. 30, 1993		

* AGJ RECORD

NATIONAL PERFORMANCE REVIEW

- * Isabelle Tapia on POTUS sked
- * Check with Julie Ann Bender/Justice; Melissa HHS about health care fraud event
- * Check mail with Ricki
- * When to schedule media briefing? Who does briefing?
- * Need daily talking points for surrogates
- * Need summaries of relevant papers (procurement; state/local; information tech)

1. CABINET BRIEFING (8/31 or 9/1) [mer]

- o Update Memo to Cabinet Chiefs of staff/Communications Directors
 - need to provide exact date/time/place for briefing AND for announcement
- o Reserve Room 450
- o Confirm date/time/place with Tony Wilson
- o Paper for briefing
 - Talking points, Qs and As, Media Assignments

2. PEOPLE Interview [mer]

- o What to give them?
- o Photo shoot at NavObs?
- o Check with Sally for Tipper

3. NEWSWEEKLIES [mer]

- o AGJ interview time
- o RIGO staff brief

4. PRIME TIME INTERVIEW/STORIES

- o Collect stupid government tricks and props [rod/heidi]

5. MAILING

- o Clean up lists [heidi]
- o Get envelopes for 10-pg summary, 150-page book [joe]
- o Letter from AGJ [heidi]
- o 300 copies of NPR materials -- book, summary [joe]

5a. PRESS RELEASE/ADVANCE ON SKED

- o Release out by Friday, September 3 [heidi, julia]

6. TUESDAY ANNOUNCEMENT

USA TODAY OP EDIT [lehrman]

✓ ASK AGJ ABOUT MEETING WITH FRESHMEN CONGRESSMEN

ASK RIGO ABOUT EXECUTIVE ORDERS TO SIGN [STEVE WARENDA]
-- Tuesday: new approach to government; gov't service to customers?

DAILY TALKING POINTS BACKGROUND TO CABINET

BREAKFAST w/ Biz Innovators

- o Develop invite list [carolyn/natalie]
- o Send invites [carolyn/natalie]
- o Set location/notify WH Social Secy office [carolyn]
- o Handouts for breakfast (10 pg summary) [mer]
- o POTUS remarks [d2]
- o VPOTUS remarks [lehrman]

ANNOUNCEMENT

- Payne?!?
- o Set site (South lawn?) [prince/alpert]
 - o Set guest list (Biz Innovators, RIGO teams, workers with stories)[carolyn]
 - o Get details invite to cabinet [carolyn/mer]
 - o Handouts for Media: press release, comic book, 10-page summary, 150-page book. [mer, heidi, joe, julia]
 - o Paper for fork lifts [Doug]
 - o POTUS remarks [d2? reed?]
 - o VPOTUS remarks [lehrman]
 - o Identify real person or federal worker to open? [carolyn]
 - o ID media surrogates/set interviews (biz ppl/RIGO workers) [rod]

WORKERS EVENT

- o Set site? (South lawn?)
- o Invite list (RIGO teams, workers with stories) [carolyn] ^{natalie}
- o Send invites [carolyn]
- o Soc. Sec for refreshments [carolyn]
- o POTUS remarks [d2]
- o VPOTUS remarks [lehrman]

INTERVIEWS

- o AGJ REGIONAL ROUNDTABLE [hopper]
- o AGJ SATELLITES [anderson]
- o AGJ C-Span [payne]
- o AGJ Calls to Edit writers (NYT, LAT, Wash Post, USA Today) [mer]
- o AGJ w/Newsweeklies
- o AGJ McNeil-Lehrer? L. King Live? Nightline? [payne/rivas-vasquez]
- o Surrogates on shows (CNN etc) [rivas-vasquez]
- o ? POTUS

CABINET MEDIA

- o Set conference calls, roundtables, radio **[mer/media affairs]**

7. WEDNESDAY PROCUREMENT EVENT & AGJ TO NYC

GET DAILY TALKING POINTS TO CABINET

PROCUREMENT EVENT

- o Set site **[prince/alpert]**
- o Invites?
- o POTUS remarks **[d2, reed]**
- o VPOTUS remarks **[lehrman]**
- o Procurement report/handouts **[mer]**
- o Examples for demonstration **[alpert/prince/stone]**
[pou6]

AGJ TO NYC [alpert/payne]

- o NYT Editorial lunch **[mer]**
- o Newsday Editorial lunch **[mer]**
- o Letterman taping **[mer]**
 - Talk to AGJ about funny stories
 - schedule pre-interview with AGJ
 - **GET MATERIALS TO TEST RUN ASHTRAY TEST** **[pou6]**
 - get examples for show

CABINET MEDIA

- o Set conference calls, roundtables, radio **[mer/media affairs]**
- o Surrogates on shows **[rivas-vasquez]**

?POTUS

8. THURSDAY SPEECH? AND CHICAGO EMPOWERMENT/STATE& LOCAL

GET DAILY TALKING POINTS TO CABINET

POTUS SPEECH ?

TSONGAS/RUDMAN?

CHICAGO EVENT (?POTUS)

- o Set site **[alpert/RIGO]**
- o State & local paper **[mer/kamarck]**
 - summary and monograph

- o POTUS remarks **[d2]**
- o VPOTUS remarks **[lehrman]**
- o Mayor's office, Congress, etc **[elaine/intergov'l]**
- o Frank Kreusi? DOT Asst Secy for Planning

CHICAGO TRIBUNE EDITORIAL BOARD **[mer/payne]**
?POTUS

NETWORK ANCHOR INTERVIEWS?

OPRAH WINFREY SHOW **[mer]**

CABINET TRAVEL **[silverman]**

9. FRIDAY INFORMATION TECHNOLOGY IN CA AND TEXAS EVENT

DAILY TALKING POINTS FOR CABINET

WHAT ABOUT EXEC ORDER ON CUSTOMER SERVICE HERE?

DALLAS, TEXAS EVENT (?POTUS)

- o Set site **[alpert/RIGO]**
- o Handouts **[mer]**
- o POTUS remarks **[d2]**
- o VPOTUS remarks **[lehrman]**
- o Mayor's office etc **[elaine/inter'l]**
- o WHAT ABOUT PEROT MEETING?

DALLAS MORNING NEWS EDITORIAL BOARD (?POTUS)

LOS ANGELES EVENT (?POTUS)

- o Set site **[alpert/RIGO]**
- o Information Technology paper **[mer/simon/kamarck]**
 - summary and monograph
- o POTUS remarks **[d2]**
- o VPOTUS remarks **[lehrman]**
- o Mayor's office, etc **[elaine/intergov'l]**

LOS ANGELES TIME EDITORIAL BOARD **[mer/payne]**

?POTUS?

LENO?

10. SATURDAY RADIO ADDRESS **[d2]**

11. SUNDAY TALK SHOWS *[payne/rivas-vasquez]*
OUTLOOK PIECE FOR WASH POST *[lehrman]*
12. MONDAY REGULATORY REFORM/REVIEW EVENT
- REGULATORY REVIEW EVENT w/POTUS
- o Set site *[?prince/alpert]*
 - o Regulatory Reform/Review paper *[mer/quinn/kamarck]*
 - o POTUS remarks *[d2]*
 - o VPOTUS remarks *[lehrman]*
- AGJ INTERVIEW w/ WH RADIO TONG *[payne/alexander]*
13. TUESDAY ?
- AGJ INTERVIEW WITH BUSINESS REPORTERS *[mer]*
14. OP EDITS FOR REGIONAL NEWSPAPERS *[mer/lehrman]*

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OFFICE OF THE VICE PRESIDENT
WASHINGTON

August 20, 1993

TO: Cabinet Chiefs of Staff and Communications Directors

FR: Marla Romash
Office of the Vice President

RE: National Performance Review Announcement

We need your help and your active involvement in the announcement of the National Performance Review. The Cabinet played an extraordinarily effective role in the success of the President's economic growth plan. We'd like to reprise that effort here, over a shorter period of time.

Our initial focus is on the announcement of the National Performance Review. But as you know, this is a long-term project that directly involves every agency all across the government. This memo focuses on the immediate. It reflects only the first round of what will be an ongoing effort that will focus on the agencies themselves and really give you and your Secretary a chance to show-off how you've 'reinvented' your agencies.

Here's what's going to happen and how we'll need your help:

1) ATTEND BRIEFING FOR CABINET SECY'S, KEY STAFF

We are planning a briefing on the National Performance Review report. The exact date and time is not yet set, but we are shooting for 5-7 pm on August 31 in Room 450. This briefing essentially will be for Cabinet Secretary's, Chiefs of Staff, Communications Directors, Legislative Directors, and Schedulers. We will let you know when it's set. At this time, we'll be able to talk about both message and substance and give you a clear sense of the NPR. As well, we will have talking points and other materials available. (We also recognize that for many people, including the Cabinet, this is vacation time. However, because the report is being released the day after Labor Day, it's essential that we conduct this briefing at this time.)

2) ATTEND ANNOUNCEMENT OF NATIONAL PERFORMANCE REVIEW REPORT

The National Performance Review report will be released Tuesday, September 7, sometime in the morning at the White House. The exact time is not set yet, but we will keep you posted. It is important that every Cabinet Secretary make every effort to attend this event.

3) RESERVE REGIONAL MEDIA TIME IN YOUR SCHEDULE, PLAN TRAVEL

On Tuesday (9/7) and Wednesday (9/8), we will need anywhere from 30 minutes to two hours+ of time for regional media calls or meetings, similar to those your Cabinet Secretary made during the reconciliation fight. (See below, about travel as well -- personal appearances centered on the NPR are important from Wednesday through Saturday). It is of critical importance that we get this message out in targeted states around the country. This is a very effective way to do that, as the reconciliation fight taught us. The system will work very much the same as it did during the reconciliation fight (though with more lead time, it should be smoother): We will let you know how much time we need; we'll need from you exactly when the time will be; and White House Media Affairs staff will set up interviews. You can expect to hear from us next week on how much time we'll need. The sooner you can respond with specific times on your schedule, the better the system will work.

TRAVEL IS CRITICAL. There are key states where personal visits are a priority. The President's and the Vice President's schedules are coming together now. To reinforce the message from the White House and to directly reach key constituencies, it is vitally important that Cabinet Secretary's plan travel to key states the week of this announcement. (Wednesday - Friday). We will let you know which states are critical and will work with you, through the Office of the Cabinet Secretary, to coordinate travel and talk about possible events.

4) BACKGROUND

Tuesday: At the announcement, we will release the main NPR report -- a report of about 150 pages that will include the major recommendations and all of the proposed savings; a 10-15 page summary; and a media summary (about four pages). The reports from the individual teams will not be released immediately but will be held for later events. We will have talking points and Qs and As available to you and your Secretary.

Agency 'reinventions': It is very important to us to highlight the government-wide commitment to this effort. Our planning includes focusing later in the process on individual agencies and specific recommendations as one way to keep this story moving. That does not preclude your Secretary from talking about the major changes being made within your agency -- those changes included in the main NPR report. We want to come back to each agency and focus specific attention on each later to make sure every agency gets the attention it deserves.

Wednesday: The President and Vice President will hold a second event on Wednesday in the Washington, D.C. area, focusing on procurement changes.

Thursday - Friday: While the schedule is still being developed, it is very likely the President and the Vice President will travel.

PLEASE FEEL FREE TO CALL IF YOU HAVE ANY QUESTIONS OR SUGGESTIONS. My office number: 456-7035. Home number: 301-585-9408

THE NATIONAL PERFORMANCE REVIEW QUESTIONS AND ANSWERS

Q: Why will this succeed when every other effort has failed?

A: Most importantly, because there is leadership from the White House. President Clinton and Vice President Gore share a strong commitment to improving the way government works and to making government work better for less. That commitment is shared by every Cabinet Secretary and agency head across the government. And, it is supported by the American people, the customers of government, who are fed up with government-as-usual and are demanding change.

In addition, the National Performance Review -- unlike every other earlier effort of this kind -- did not bring in outside experts to create a report to gather dust on some shelf. The National Performance Review organized a team of talented, experienced career federal employees who know best (from first-hand experience) what's wrong and how to fix it.

The NPR Report offers specific recommendations and real savings -- for immediate action and over the long term. The President will sign executive orders and cabinet secretaries will take action to begin the kinds of dramatic changes the National Performance Review is recommending. Americans want a change. Federal employees want a change. The President and Vice President are determined to make it happen.

Q: How do you expect to overcome Congressional opposition to your recommendations?

A: We have been and will continue working closely with Congress on a bipartisan basis. This is not a political issue. The American people want change and they want to know their tax dollars are being spent wisely. They want a government that works. We believe Congress shares our determination to cut spending and reform the government. We're asking for some big changes and change is never easy. We know there are those who will defend the status quo -- even if it means wasteful spending and unnecessary bureaucracy. And, we expect some fights. But we intend to work with Congress to bring about these changes.

Q: How do you propose to get all these hundreds of recommendations through Congress? Will you deal with each one individually? Use the Commission that the Senate Government Affairs Committee has approved? How?

A: Remember, many of the actions we are proposing do not need Congressional approval. They can be accomplished by administrative action, by the President or by cabinet secretaries and agency heads. The President will sign executive orders and other directives, and cabinet secretaries will take action to implement many of these changes. Where Congressional action is needed, our goal is to identify the quickest way possible to gain Congressional approval for this package. We intend to work with Congress to identify the best way to move these proposals forward. If they are serious about cutting costs and serious about reforming government, they'll do just that.

Q: The National Performance Review report includes hundreds of recommendations. How many do you really expect to get accomplished?

A: We intend to dramatically change the way our government works -- to cut waste and bureaucracy, to create a government that works better and costs less. Many of the actions in the report we will take immediately. We intend to work with Congress to gain approval of the remainder. We recognize that the change we seek will not happen overnight. Ours is a long-term commitment and a long-term job. We're going to stay with it and keep working.

Q: What proportion of these recommendations require Administrative action? What proportion require Congressional action?

A: Approximately half of the agency recommendations and approximately three-fourths of the systems recommendations can be achieved administratively. However, because Congress has oversight responsibilities over all Executive Branch departments, major restructurings -- even if they do not involve legislation -- will need to be done with the cooperation of the relevant congressional subcommittee.

Q: What proportion of these savings can be accomplished administratively and what portion must be accomplished through legislation?

A: Congressional action will be needed for the savings identified in the report as agency savings. It is more difficult to estimate the extent of Congressional approval that will be necessary as agencies downsize and change the way they work. Obviously, Congress will have to help the Administration simplify the procurement and personnel systems of the government. However, we believe that some downsizing can be achieved without Congressional action. It is impossible, however, to put a percentage number on this.

Q: Aren't there costs involved with your recommendations? What are they?

A: Our overall savings -- \$108 billion over five years is a net number. It reflects whatever additional spending we've recommended so that over the long term the savings can be even greater. For example, an investment in technology today can bring savings in the future. That's an investment we ought to make.

Q: The bulk of your savings come over five years, in the long term, when Congress is looking for cuts they can make now. Didn't you fall short of the President's promise to deliver a \$10 to \$20 billion package of immediate cuts?

A: The National Performance Review report presents savings of more than \$108 billion over five years. That is a substantial savings and represents serious cuts of bureaucracy, waste, duplication, obsolete programs. Congress ought to make those cuts over the long term and they ought to make the cuts that can be made now -- millions of dollars in the wool and mohair subsidy, the honey bee subsidy, for example. But we recognize that big changes take

time and we're recommending big changes to make government more efficient and to more effectively deliver services to the American people.

Q: You call for substantial reductions in the federal workforce and dramatic changes in personnel rules. How will you deal with opposition from unions representing federal workers?

A: We have talked with union representatives throughout this process and we'll keep talking with them. They are interested in our work in no small measure because they know how frustrated their employees are working in a government where outdated systems frustrate innovation and progress. And, they are supporting many of our recommendations because they know that these recommendations will help their members do their jobs better, will help them cut through red tape and, when they're doing a good job, get recognized for it.

Q: President Clinton already called for a cut of 100,000 government workers by attrition. You're recommending another 152,000. Aren't federal workers bearing an unfair burden of the cuts here?

A: Absolutely not. In fact, many of our proposals reflect recommendations we heard from federal workers and, as they are implemented, will make their jobs easier to accomplish and will improve their working conditions and their chances for promotion or raises. It is precisely the layers upon layers of bureaucracy and micro-management that we're trying to cut that are among the most frustrating obstacles faced by federal workers.

We are acting to get rid of outdated and unnecessary bureaucracy. The changes we're proposing to simplify the government's control systems -- budget, personnel, procurement and others -- mean we will be able to pare down the structures that go with them; structures that have grown twice as large as they should be. But we are also making a commitment to every federal worker whose job is eliminated: if they can't retire through our early retirement system or, if they choose not to take a cash incentive to leave the government, we will help them find another job offer, either with the government or in the private sector.

Q: If I'm a federal worker, how much will you pay me to leave my job. And, government wide, how much do you estimate this buy-out will cost? Is that cost reflected in your numbers?

A: The Administration will be moving quickly in the months to come to offer all federal agencies buy-out authority. That authority currently is available to only two parts of the government -- the Defense Department and the intelligence community. There is a limit of \$25,000 per employee.

Buyouts will be done within an agency's budget. We do not propose to appropriate extra money for buyouts but to let each agency make these choices as part of their overall cost-cutting efforts.

Q: Are you planning to change the system so you can fire federal employees?

A: We're going to create a personnel system that works better, makes sense, and costs less -- for workers, for the government, and for American taxpayers. Right now, thousands of pages of rules and restrictions, layer upon layer of bureaucracy, have created a personnel system that simply doesn't work. We're going to make it easier for federal workers to do their jobs and we're going to make it easier for them to grow and advance in their workplaces -- to get rewards, promotions and raises. And, yes, we're going to make it easier, when it's necessary, to fire employees who are not performing up to standard.

At his town meetings with federal workers, the Vice President asks if it's too hard to fire bad employees. Usually, more than 90 percent raise their hands when asked if the system needs to be changed. Federal employees recognize probably better than anyone else that the system needs to be changed. It's a system that's frustrating them as much as it's frustrating their customers. Remember, the system makes it just as hard to give good employees bonuses or promotions.

Q: Why don't you just stop wasting money instead of changing the budget system?

A: The budget system encourages waste. Line items encourage spending in low priority areas and year-end spending limits encourage spending every last dime (often in a last minute rush) or you get less next year. No private sector business could succeed with these types of incentives. Can you imagine a business that couldn't transfer money from its equipment budget to its personnel budget if it had to? Or one that had 450 job classifications. Or one not allowed to buy what it needs, when it's needed, at the best price? Or one that doesn't reward saving money? The National Performance Review recommendations will fundamentally reform the systems of government -- that's the only way to achieve long-term savings and real improvements in service and performance.

Q: Will the unions accept your recommendations for changes in laws such as Davis-Bacon?

A: It is our hope they will. Our recommendations maintain existing protections but bring common sense to the process and a recognition of today's circumstances. Our approach in the Davis-Bacon case is similar to recommendations in legislation offered by Sen. Kennedy in March. When we go to Congress on this issue we propose beginning the discussions with Sen. Kennedy's legislation which offers the unions some safeguards they did not previously have in return for the changes we are proposing.

Q: There are recommendations that had been leaked earlier -- for example, doing away with maritime subsidies -- that are not included in the final report. Why not?

A: We received hundreds of recommendations. The final report includes nearly 1,000 actions. While many, many recommendations were included in the final report, some were not because as they were examined and as we asked questions about them, we determined that right now, they didn't make sense or they needed more study. Remember, this report represents a beginning, not an end, to this process of creating a government that works better

and costs less. We will continue to look at our government and how to continue this reform process. (If asked follow-up about maritime: On the maritime subsidies, we decided that it was an issue that needed more study and more time than we were able to give it.)

Q: You are recommending that agencies be allowed to roll over 50 percent of what they do not spend on operations in a given year. If they can save it, doesn't that demonstrate they don't need it? Why not just take the money back?

A: It's that kind of thinking that's wasted money year after year when agencies go into their end-of-the-fiscal-year spending rush. More than anything else, we heard stories about how money was wasted at the end of the year by managers afraid that if they didn't spend it, they wouldn't get it the next year. We want to change that. We want to give managers an incentive to save and allow them to keep some of the savings and apply it to training or management improvements that could lead to even more savings. Where policy decisions warrant spending cuts, we're all for them. It's the automatic cuts that just don't make sense. We'll end up right where we are today -- wasting money year after year.

Q: How large is the investment in technology that you're requesting? What will it cost the government to put this electronic government in place?

A: The federal government is already spending \$25 billion a year in information technology. The NPR proposals add a modest amount - \$121 million over five years -- to the government's substantial investment.

The focus of NPR's information technology initiatives is not on new money but on breaking down the bureaucratic barriers that have prevented the most effective use of this money and have cost money. By breaking down these barriers in the area of information technology, NPR estimates that the federal government can achieve net savings of \$5.4 billion over five years.

For instance, we will promote interoperability between federal agencies, we will consolidate networks, we will standardize software applications and minimize the number of those applications.

Q: You're recommending elimination or consolidation of employment and training and education programs. By reducing spending in these areas aren't you contradicting the President's goals?

A: Where we are recommending consolidation or elimination in these areas it is precisely to help meet the President's goals and to ensure that every penny is put to its best use. We're not cutting funds for job training or education, we are reducing administrative costs so that more can be devoted to the people who need these services and less to overhead. We are also planning to improve access to job training by establishing a system of one-stop career development centers open to all Americans.

Q: How do you justify merging DEA and ATF into the FBI? Both proposals have been sharply criticized by those who say, at a minimum, it represents a retreat in the war on drugs?

A: The federal government has dozens of agencies involved in law enforcement. Their jurisdictions overlap, they often don't coordinate, and they sometimes interfere with each others activities. Fighting the war on drugs is a major example of these problems. Our strategy is to give the Attorney General broader powers to coordinate federal law enforcement and to consolidate critical missions -- like fighting illegal drugs. In the case of illegal drugs, we want to consolidate the best of three law enforcement philosophies -- FBI's, ATF's, and DEA's. The best analogy is a magnifying glass -- we are focusing our efforts to make it even hotter for the drug dealers and their bosses.

Q: Where did you get the 1:7 ratio of managers to employees in the federal government and on what do you base your recommendation that the ratio be increased to 1:15?

A: A September 1992 OMB report (#MW 56-22) provided the 1:7 ration based on data from September 1991. Management experts like Tom Peters, have long recognized that in high performing organizations that ratio is higher, and sometimes as high as 1:75. We are basing our recommendation on these management principles that have a proven record of success.

Q: You're recommending that for executive branch printing the Government Printing Office no longer should have a monopoly. Won't that put the GPO out of business?

A: Our goal is to let competition drive down prices and improve services. Right now, the GPO doesn't have any competition and no incentive on price or service. If the GPO can produce competitive prices and quality service, they'll get the work. If not, it will go somewhere else. Remember, GPO also handles Congressional printing.

Q: Won't passenger safety be compromised by turning the air traffic control system into a corporation?

A: No, in fact, by creating a government owned corporation -- supported by user fees and governed by a board of directors representing the systems customers -- we help the air traffic control system improve services in a timely way. As customer use rises, so will revenues, providing the funds needed to answer rising customer demands and finance new technologies to improve safety.

Q: The changes you are proposing for workplace inspections will allow businesses to inspect themselves. Does that really make sense if you're going to protect workers adequately?

A: Our goal is to improve worker safety and improve inspections. Right now, there are only enough OSHA inspectors to visit even the most hazardous workplace once every several years and personnel to follow-up on only 3 percent of its inspections. With this approach, the

government will still set standards and impose penalties on workplaces that don't comply, but we're using the same basic technique the federal government uses to get companies to keep honest financial books: setting standards and requiring periodic certification of the books by expert financial auditors. This approach will help OSHA ensure that all workplaces are regularly inspected without hiring thousands of new employees. Our proposal involves non-managerial workers in self-inspection sites but only after the process is certified by OSHA.

Q: Is it realistic to think about biennial budgets when Congress has rejected these proposals so many times in the past?

A: In more places than just this one, this report challenges the status quo. We believe it makes sense for the federal government to develop two-year budgets. It will streamline the system, cut costs, and improve our ability to develop a budget where the content of that budget and not the process that governs its development is what's important. It also will allow agencies some assurance to pursue their longer-term efforts to improve program delivery.

As well, we believe the time has come to consider biennial budgets because of the passage this past summer of the Government Performance and Results Act of 1993. This act and the NPR report requires us to move to government-wide performance measures by fiscal year 1998. We believe there will be considerable support in the Congress for biennial budgeting.

Governments that manage by outputs -- by performance and results -- not inputs, find that they use the non-budget year of the two-year cycle to evaluate programs and decide if the programs are achieving their legislatively intended mandates and goals.

Q: When will the regulatory review executive order be released? What more can you tell us about it?

A: The President is expected to sign the Executive Order on Regulatory review in the near future. The process created through that Order represents a clean break from the past and creates a regulatory review process that is open to the public, streamlined, responsive, coordinated, straightforward, and fair. It provides a regulatory process that works for the American people, not against them, improving health, safety, and well-being while encouraging economic growth and job creation. It is aimed at producing regulations that are sensible, understandable, consistent, and effective. It uses a broad definition of costs and benefits to include a realistic assessment of impacts on the economy, the environment, and public health and safety.

The goal is to regulate only when necessary and when necessary, in the most cost-effective way to maximize benefits to society and place the smallest possible burden on those being regulated. And, the plan is directed at creating and implementing regulations that are simple, easy to understand, and minimize the potential for litigation and uncertainty.

Q: When will the new Enterprise Board decide where the 100 enterprise zones will be located and how will those decisions be made?

A: The Secretaries of HUD and Agriculture have the authority to designate (after a formal application and review process) certain areas of the country as "empowerment zones" and "enterprise communities," thus enabling these localities to receive grant monies and other benefits. Specifically, the Act allows the Secretary of HUD to designate six urban zones and 65 urban enterprise communities and the Secretary of Agriculture to designate three rural zones and thirty enterprise communities, not, as you state, "100 enterprise zones."

Before making such designations, the Secretary of HUD and Agriculture must issue selection criteria to guide the localities during both the planning process and the application process. The Secretaries are working closely with the group in formulating these criteria. These criteria will encourage innovative, bottom-up approaches to community development and empowerment.

After the criteria are developed and announced, we want to provide localities with sufficient time to develop community development/empowerment plans that are big, bold, and creative. We also want to ensure that the localities have enough time to involve the private sector and their States in the planning process.

Q: The recommendations that appear in one part of the NPR report seem to contradict the recommendations in another part. For example, NPR recommends reducing organizational layers throughout government; yet it also recommends the creation of several new councils. How do you reconcile these contradictions?

A: The answer depends upon the specific "contradiction" you have in mind. With respect to the recommendations of new structures, the NPR has been extremely mindful of the need to reduce the size and cost of government and the bulk of our recommendations are consistent with that policy. However where we recommend new functions, we have weighed carefully the substantial benefits of creating or strengthening a core management capability against the costs of those offices. As the President has argued frequently we must be willing to make the right kind of new investments at the same time we are reducing the costs of government operations. Our recommendations are overwhelmingly on the side of scaling back and doing more with less and, where we recommend a new body, such as the President's Management Council, it is to ensure that we continue to meet that goal.

Q: A 1992 Presidential Commission recommended absorbing AID into State Department or simply abolishing it. Why did the NPR not follow through with this recommendation when it had the chance?

A: The NPR considered the threshold question about AID's future existence. Reasonable arguments have been made for AID's absorption into the State Department or for its abolishment. The NPR has concluded that the problem driving all AID's other problems is the lack of a clear and coherent mission and manageable set of priorities in legislation governing its programs and operations. AID's abolishment or absorption would not cure this central fact about the laws now covering this country's bilateral assistance programs. With a simplified mission, clearer priorities, strong leadership and innovative thinking, AID could reclaim its potential to be an effective provider of U.S. development assistance. However,

NPR agrees with the agency's new administrator that AID must proceed with a sense of urgency to fundamentally reform its programs and operations if the agency is to achieve that goal and to warrant continued existence in its present form.

Q: Why did the NPR not establish a coordinating body for foreign assistance?

A: The National Security Council is engaged in a comprehensive review of this issue. Their report is expected soon. Any additional guidance from the NPR would be duplicative.

Q: How much is this whole thing costing?

A: The costs are minimal because for the most part, we are relying on federal employees. The NPR operated on a \$1.5 million budget -- far outweighed by the savings the review identified.

Q: Where does the money come from?

A: The NPR budget came from the Department of Defense.

Q: How can you justify putting all food safety programs into the FDA? There has been strong opposition voiced to such a proposal. Why does it make sense?

A: The creation of a single food agency will eliminate a very complex bureaucracy which interferes with effective public health-based decision-making needed to correct present food safety problems. The present multi-agency approach contains conflicting laws, different enforcement authorities and inconsistent frequencies and intensities of inspections. This reform will lead to the elimination of unnecessary regulations, duplicative and overlapping operations and more efficient use of inspection resources. It will provide enforcement of uniform, scientifically-based laws. It also will improve the quality of food safety inspections, adding microbiological measurements to the sight and smell tests now used by the Food Safety Inspection Service.

Q: Why are you proposing to eliminate the federal retirement program for railroad workers?

A: We are not proposing to eliminate the federal retirement system for railroad retirees. In fact, no one's benefits should change. All we are proposing is that we transfer the administrative functions of the Railroad Retirement Benefits board to agencies such as the Social Security Administration and to the unemployment insurance system which already administer these benefits satisfactorily for other Americans. This will not affect the benefits anyone receives. It will cut down on administrative costs to the government.

Q: Why create a government corporation for air traffic control?

A: A corporation will be better able than a government organization to buy the latest and best equipment, to assign employees where they are most needed, and to respond to its customers needs. In short, we believe that a corporation will allow the air traffic control system to do a better job and improve safety in the process.

Q: How do you come up with a savings of \$2.1 billion in the Department of Energy's labs over the next five years? Doesn't a number this big anticipate that you will have to close some labs?

A: First, let me put this in perspective. The budget for the national labs (management and operations contracts, the Defense program's portion, and the environmental clean-up) runs to \$16 billion per year or \$80 billion over a five year period; the anticipated savings here accounts for 3 percent of that total over a five year period.

The savings anticipated by our recommendations on the energy labs are not based on closing any labs in their entirety. Instead, they consist of proposed changes in the following areas:

- increased use of cooperative research and development agreements (CRDAs) and other means of marketing the talents of the labs to the private sector in order to decrease the cost of the labs to the federal government while maintaining a healthy employment base at the national labs. It is estimated that \$25 million in severance payments alone can be avoided in 1995 and 1996 by actively marketing lab facilities and the specialized talents of lab employees;

- anticipated consolidation or closure of obsolete activities in the labs complex due to the fact that we will be building fewer nuclear weapons;

- improved contracting and management practices which allow certain tasks now performed by expensive contract personnel to be performed by less expensive government employees;

- anticipated sale of surplus property and scientific equipment.

Q: Why is the change in FDA user fees shown as a \$1.4 billion change in spending? Isn't this really an increase in receipts?

A: Most user fees are scored as negative budget authority and outlays. There's nothing unusual here.

Q: What is the relationship between your recommendation for HCFA and the upcoming health care reform proposal? Will the savings you're claiming, \$985 million over five years, be real?

A: Yes, the savings are real and are not in conflict with the health care reform task force. The savings will come from expanding competitive contracting into the processing of medicare claims. This introduces greater competition and protection against fraud into Medicare contracting. Both are consistent with the principles of the Health Care Task Force.

Q: You do not show any savings for the intelligence community because the information is classified. Is that savings included in your \$108 billion total?

A: The savings are not included. They couldn't be counted because they're classified.

Q: Why is there a change in spending -- an increase -- shown for management of the park service?

A: Fifty percent of the additional revenue generated by changes in park fees would be reinvested in park infrastructure, which is badly in need of reinvestment. The remaining 50 percent would counted as savings. Our parks are one of our greatest national resources. The Park Service has estimated that there is a backlog of projects totally \$5.5 billion. This recommendation tries to provide greater funding, both as a way to finance Park operations and as a way of making a start of fixing these infrastructure problems.

Q: How do your recommendations on obtaining a fair return for federal resources (in the Department of Interior) relate to separate efforts to change mining and grazing fees? The Secretary is involved in negotiations on grazing and in legislation on mining.

A: NPR worked closely with the Interior Department on this issue. Our recommendations are consistent with those of the Secretary.

Q: Why didn't you just get rid of the helium program?

A: We believe our recommendation makes sense. It will reduce costs by \$12 million a year and increase revenues by \$35 million a year. This is a complicated issue. There was the potential for great harm to the helium industry if our helium reserves were dumped on the market and, it would put a lot of people out of work. The proposal here reduces the cost of the program and increases the income.

Q: You claim nearly \$2 billion in savings by restructuring NASA. What does this involve? How is this different from the changes NASA announced when it announced a new space station program?

A: The VEST Commission recommended that management of the space station programs should be sharply reorganized and NASA is doing this. The National Performance Review found that many of the same principles put forth by the VEST Commission should be extended across the agency. This would include a 30 percent reduction in contract and FTE personnel, and substantial changes in contracting practices. We are also recommending that NASA do a complete review of its facilities for where savings can be achieved.

Q: You're claiming credit for \$1.6 billion in cuts from the Agriculture Department through reorganization. How precisely will that savings be realized?

A: The organization of the Department of Agriculture has not changed substantially since the 1930s when there were a lot more farmers in America. Secretary Espy has moved aggressively to modernize the Agriculture Department by reducing the number of agencies from 42 to 30 and by reducing the number of administrative support staffs from 14 to 6. In addition, USDA will consolidate or close approximately 1,200 field offices. Once in place, these changes will eliminate 7,500 positions and save \$1.6 billion over five years.

Q: Please explain the numbers for the Increase in Electrical Power Revenues and Study rates. Will this increase rates?

A: We are not proposing any significant rate increase. The NPR report makes two assumptions. First, the debt of the Bonneville Power Authority will be refinanced (as allowed within existing authority) which would redress some of the subsidy provided by taxpayers. Second, the NPR report recommends that the Secretary of Energy study the rates and establish rates for other Power Marketing Administrations to cover full operating costs.

Q: Will there be another National Performance Review? When? Who will do the work?

A: This report represents the beginning of what will be an ongoing effort to create a government that works better and costs less. We intend to continue our work, through the newly established President's Management Council and through every Cabinet Secretary to change the way the government works, to improve services, cut bureaucracy and make sure taxpayers are getting their money's worth. In this review, we identified many things we can do and many things yet to be done so our work will continue. We are going to continue to look at different issues that we raised in this report and others that need more study. The 200 federal workers we assembled for this six-month project will go back to their agencies and bring with them this commitment to change. But considering the success of this project in identifying ways to make the government work better and cost less, we're certainly considering other similar reviews in the future.

Q: Did the Cabinet Secretaries have the ability to veto recommendations you had hoped to make? Were there instances where a cabinet secretary stopped you from acting?

A: We worked closely with the cabinet throughout this process. Remember, at the President's direction, each cabinet secretary created their own "reinvention" team and the national performance review teams worked closely with them. This was very much a collaborative not a confrontational process with a great deal of consultation and discussion. Our efforts were met with great support and enthusiasm from the cabinet - they are as eager as we are to improve the way the government works, to get rid of unnecessary bureaucracy and cut costs.

Q: What difference will all this make to the American people? And when?

A: It will mean better service and lower costs. As part of the National Performance

Review, the IRS, Social Security Administration, and Postal Service have made commitments to customer service -- in the time it takes to get your tax refund, in responses on 1-800 lines, and waiting times at post office counters, for example. The President is directing all agencies to listen to their customers and respond to their needs and then measure performance by how well they've met the needs of their customers. Front line employees will be enlisted to figure out how to deliver better services with improved efficiency. The National Performance Review represents a new recognition and new awareness of the importance of customer service.

Q: What's happened to the reports from all your teams? Will they be released?

A: The work of our National Performance Review teams is reflected in the report we have released. We will, in the future, release additional details and supporting information in the individual team reports. You can imagine from the number of recommendations we are making, that there is an enormous amount of material. Our intention is to release the work of the teams at a later date.

Q: Is it appropriate to have government employees conducting a review of themselves?

A: Outsiders have traditionally reviewed the government and those efforts haven't succeeded as much as everyone would have liked, in part because they did not consult with those who have to live in the system. As any modern organization improvement expert, such as Tom Peters or Joseph Juran, will tell you, you have to involve those who are affected if you want real change to happen. The experience of other countries that have reinvented themselves shows that real change comes from within. We relied on a team of experienced and talented federal workers who then sought advice and ideas from a wide range of groups and individuals.

Q: How do you reconcile the message of cutting costs vs. reinventing government?

A: The National Performance review is and always has been about both. If you're interested in really reducing costs over the long term, then you have to change the way the government works. That's one of the major reasons this review is different from others that preceded it. Those efforts focused primarily on waste and abuse and did not try to put in place a positive vision of how government should work in the future and a blueprint for how to get there. We want a government that works better for less. We found plenty of ways to save money and make government more efficient. But this is about more than that, it is about fundamental and profound changes in how government works. We intend to change the very culture of government. We're not after just short-term savings, but long-term changes. For example, by changing the incentives in the budget system so that federal managers are rewarded for saving money, the process of cutting costs becomes ongoing and long term.

Q: How many people worked on the National Performance Review?

A: We assembled a team of about 200 federal workers. Many of the federal employees are senior executives who have been frustrated with the system and know where the changes need to occur because they've been trying for years to bring about those changes. We have included line managers and employees who deliver services directly to the public. They come from the field as well as Washington, D.C..

In addition to the people on the National Performance Review team each Cabinet Secretary has put together his or her own internal reinvention team and those teams worked closely with the NPR teams.

Q: If we are going to empower federal employees, how are we going to keep them from making mistakes?

A: In most cases, the problem is not the people but rather the system in which they work. We think we can fix the "blundering" problems by setting clear expectations, rewards, and penalties for poor performance, by reforming the personnel system and giving managers the tools and incentives they need. We will measure performance and we will hold employees accountable for results. But we're going to do it in a way that really produces results instead of blocking them.

We need to find a clear balance between protecting the taxpayers money from outright fraud and abuse and protecting the taxpayers money from overly bureaucratic systems that waste money and make the government pay more than it needs to pay to get the job done.

Q: Are you using Total Quality Management principles to redesign the government?

A: The basic principles of TQM are reflected in the review -- especially the focus on the customer -- but anyone who knows anything about government knows that in the government, nothing is 'total.' We have involved some of the top award-winning management leaders in the federal government and we have created teams that are spending time with customers. The teams themselves are talking to a wide spectrum of suppliers and internal customers. As well, we've sought advice and ideas from business leaders who have applied innovative management principles to their own companies, increasing profits and cutting costs in the process.

Q: The Vice President asked the public and government employees to contribute to this review, to write letters, to call in. Were their recommendations incorporated?

A: Yes. The Vice President met with federal workers at every agency and at regional centers around the country. Hundreds of letters were received and read. We learned a lot from them and found them incredibly useful both in terms of identifying problems and designing solutions. Many of their comments are reflected in this report.

Q: How were the NPR staff selected?

A: We sought experienced federal workers from across the government and we found that

across the government there are people experienced and dedicated to the principles behind our work. In many cases, federal workers came to us because they wanted to be involved.

Q: Did federal workers comprise the entire staff?

A: The NPR teams were made up of federal workers. However, they consulted with outside advisors from state and local government, from the business world, and elsewhere.

Q: How was the cabinet involved?

A: The cabinet was involved throughout this process, both through their agency 'reinvention' teams and through personal contact with the NPR staff and the Vice President. We have worked with Cabinet Secretaries and agency heads throughout and have welcomed their enthusiasm and their support for this review.

Q: If the NPR was able to take almost 250 federal employees away from their jobs, how important were these people, and why can't their positions be eliminated?

A: Almost all the staff were recruited to NPR from agencies who were reluctant to release their best people but did so in recognition of the great importance of this effort. NPR selected a wide range of specialists at all grade levels from across government to reflect the diversity in the federal workforce. Their work at NPR has demonstrated some of the best virtues of the civil service which hardly justifies eliminating their jobs upon their return.

Q: How much damage to government services did the NPR do by taking 250 people away from their jobs?

A: There is no doubt that both organizations and individuals have made significant sacrifices to conduct the NPR. Even though a number of individuals spent long days working at NPR then worked nights and week-ends at their home agencies, most organizations had to soldier on without the services of those working at NPR. The NPR staff and their home institutions have had to make adjustments to support this very important enterprise. We have every confidence that the return on investment to government operations over the next decade will be many times the sacrifice made this summer.

Q: Why were the vast majority of NPR staff selected from the GS15 and SES ranks? Why was there so little involvement from the lower grade employees that the NPR seeks to empower?

A: The more senior personnel have both the experience and the demonstrated ability to wrestle large, complex issues to resolution quickly, more so than less seasoned employees. Given the very ambitious schedule for reporting out, we didn't have the luxury to conduct extensive on the job training for junior staff. However, it would be a mistaken impression to

believe that lower grade employees were not significantly involved. We used many PMIs -- Presidential Management Interns -- in this process. These are young, talented people just out of management school. Those who were part of NPR were active and vocal participants and contributed valuable parts to the overall effort.

Q: What is the value added of the NPR over all the OMB, GAO, IG and other reports that have already been written about reforming the way government operates? Why not just devote more high-level attention to implementing them and less attention to large-scale and potentially futile reports?

A: If you look at all the government published reports you find the same problems coming up year after year. The federal government historically has been good at identifying problems but not as good at solving problems.

In the NPR, we decided to take a look at success first and we studied successful government organizations both within the federal government and in state and local governments and in governments around the world.

This led us to the principles that are the foundation for this report: cutting red tape, putting the customer first, empowering employees and cutting back to basics. The study of success also led us to our emphasis on the underlying systems of government that need to change.

In addition, there are several important differences that make this effort truly unique. First, the primary architects of these recommendations are experienced career professionals from inside the government, not outsiders with casual knowledge of what's right and wrong with our systems. Second, we have reached out to thousands of others throughout the country through town hall meetings, the Philadelphia Summit, our 800 number and the tens of thousands of individual citizens who have written to us with their ideas and concerns. Third, these recommendations have been coordinated thoroughly at the highest levels of this Administration to ensure that they are valid, sound and practical solutions. And, sometimes the OMB, GAO, and IG recommendations didn't go far enough or identify solutions.

Finally no other administration has committed the Vice President to such an intensive and extensive effort to transform the entire government from top to bottom and side to side. Of course the final difference will be in what we accomplish, and these results will be far from futile.

Q: How involved was OMB in the NPR? If OMB is doing its job, why is an NPR necessary?

A: OMB has been intimately involved in NPR from the outset. In addition to Phil Lader being one of the principal leaders of NPR, there have been numerous other individuals from OMB who have supported NPR on a full-time or part-time basis. Every NPR team had an active OMB liaison, the draft reports were made available to OMB for comment, and OMB prepared all fiscal estimates.

The reason for doing NPR outside of OMB is that OMB has had its hands full this summer preparing the President's budget for submission to Congress. As you well know,

there have been constant questions and calls for information in addition to the round the clock negotiations with the Congress that OMB had to support. Thus precisely because OMB was completely devoted to doing its job--working the budget, not to mention fulfilling its management responsibilities --that the NPR was accomplished by other staff who could devote all their attention and energies to reinventing the government.

Q: How did the NPR evaluate entitlement programs?

A: The NPR did not address entitlements as a central focus. However in our agency reviews of HHS, VA, Education, Labor and other service-oriented departments, we have recommended ways in which certain entitlement programs can be managed more effectively and economically, and ways to reduce fraud in entitlement programs.

Q: Why are there so few defense issues, given the size of the DOD and its obvious need for reform?

A: The NPR has been careful to concentrate on areas where we could make distinct value added contributions to the current efforts of each agency to improve their internal operations. The DOD had already begun a major examination called the Bottom-up Review last January well before NPR started in March. The NPR therefore deferred to the Bottom-up Review.

Q: How much influence did the DOD have in dissuading the NPR from taking on certain issues?

A: Where DOD was already addressing specific issues in their Bottom-up Review, there was little reason for NPR to devote its attention and limited resources to duplicating the same study. DOD has been quite energetic in moving out on their own impressive reinvention initiatives and NPR has been cooperating with DOD to ensure that our efforts are complementary.

Q: How were issues pared away from the NPR? Who decided what stayed and what got cut from your list of recommendations?

A: Those decisions were made after careful study and a great deal of consultation within the NPR and within the agencies. We wanted to make sure that the recommendations we put forward made sense and would accomplish the goals we sought -- improving the government and cutting costs. In some instances, we discovered that issues needed more time that we were able to give them in this six-month review and we're going to continue to study them. In other instances, it was clear early on when a recommendation just didn't make sense.



OFFICE OF THE VICE PRESIDENT
WASHINGTON

September 7, 1993

TO: Cabinet Chiefs of Staff
Cabinet Communications Directors
Agency Heads
Agency Communications Directors

FR: Marla Romash
Office of the Vice President

Here is your copy of the report of the National Performance Review as well as a summary of that report. A copy of the report and the summary were delivered to your Secretary on Monday evening.

Also included here are two pages of talking points and many pages of Qs and As that should be helpful to you and to your cabinet secretary.

To bring you up to date:

- o There will be a second event Wednesday at a GSA warehouse in Franconia. This event will focus on procurement and we will have additional information for you late today or early Wednesday.
- o The President and Vice President will be travelling to Cleveland (Thursday), California (Friday) and Houston (Saturday) for events related to the National Performance Review. We will have additional information for you as the week goes on to provide details and substance on those events.
- o The agency summaries are on hold for now. We didn't get them from enough agencies to put them all out. If you didn't send us one, please do as soon as possible. We would like to move on these if not by the end of the week then certainly by next week.

cc Mark Gearan, Dee Dee Myers, Lorraine Voles, Arthur Jones

TALKING POINTS

THE NATIONAL PERFORMANCE REVIEW

o The National Performance Review is about creating a government that works better and costs less, about cutting waste and reducing bureaucracy. Unlike similar efforts that have preceded it, the National Performance Review is not just about getting rid of waste -- though we do plenty of that -- it is also about fundamental and dramatic changes in the way the government works. It's about turning our government into a high-performance, low-cost organization.

o The National Performance Review is guided by four main principles:

1) Cut red tape, shifting from a system based on accountability for following rules to one where you're accountable for achieving results.

2) Put the customer first, listening to them, restructuring basic operations to meet customer needs, and using market dynamics such as competition and customer choice to create incentives for success.

3) Empower employees to get results, transforming the way they think and act by decentralizing authority, empowering those who work on the front lines to make more of their own decisions and solve more of their own problems.

4) Cut back to basics and create a government that works better and costs less by abandoning the obsolete, eliminating duplication, and ending special interest privileges.

o It's time to make government work and work efficiently. It's time we got our own house in order. The National Performance Review does that, getting rid of unnecessary rules and red tape that cost too much and don't serve us well enough, and streamlining the federal government.

We're going to cut red tape by:

-- simplifying the budget process and moving to biennial budgets that would mean we'd go through that process only every other year; basing budgets on policy and fiscal guidance and performance agreements between the President and agency heads. We'd get rid of the detailed accounts and allotments that prevent managers from spending where it's needed (and sometimes spending too much where it's not).

-- reforming the personnel system, starting by replacing the 10,000 page personnel regulations with guiding principles, getting rid of the layers and layers by which federal employees are classified, and giving back to managers the right to hire, promote, reassign, or fire their workers.

-- simplifying procurement laws and regulations that too often now mean the government pays more for less and waits longer to get it. We want the government to buy more like businesses buy, looking for the best value and the best service.

-- getting rid of unnecessary regulations that tie up the government and implement a new regulatory review process.

-- give state and local governments more freedom to decide how best to put government dollars to work for their citizens, improving coordination among agencies, consolidating grants, limiting the circumstances when we impose unfunded burdens, and making it easier to grant waivers from federal requirements.

o It's time we had a new customer service contract with the American people, a new guarantee of effective, efficient, and responsive government. It's time we treated taxpayers like customers.

We're proposing that the federal government set a goal of providing customer service equal to the best in business.

-- We can do that if we give customers a voice and a choice, if we listen to customers, and if we inject some competition where monopolies now exist.

-- We're recommending that every federal agency that delivers services to the public identifies and listens to its customers. We would make it easier for agencies to work together to meet the needs of their customers, for example, in job training or community development. And, we're injecting competition into the federal government to improve services and lower costs.

o The National Performance review can help close the budget deficit but it can also help close the *trust* deficit, showing the American people that their tax dollars will be treated with respect for the hard work that earned them.

o We're going to reform the way our government works, hold employees to new performance standards and insist on results. Instead of measuring what we put in, we're going to measure what we get out and what's accomplished. We're going to free federal employees from the rules that make their jobs more difficult but in return, we're going to demand performance.

o We shouldn't be paying for what we don't need, for special interest benefits, or for programs that are duplicative. We must collect on the loans we make and the taxes we're owed. We must recognize where more efficient ways to design regulations and resolve disputes can make a difference. And, we must take advantage of the revolution in computers and telecommunications.

-- Special interest subsidies ought to be cut. There's no reason taxpayers should be picking up the bill for millions of dollars in special interest subsidies, that's why we're proposing cuts to the wool and mohair and honey support payments.

-- We're going to get rid of programs that don't work, consolidate programs where there's duplication, and make sure that federal programs have a specific goal. The National Performance Review is consolidating programs and getting rid of outdated programs. And we're going to put an end to crazy rules that now allow people who defraud the government to get benefits to keep getting them.

< We recommend consolidating food safety, law enforcement and employment and training programs;

< We recommend that the President have greater authority to cut items from spending bills;

< We recommend that agencies have greater freedom to set fees and greater ability to collect delinquent debts.

< We would improve services and cut costs by using electronic government -- delivering benefits electronically, developing better data bases (some which could be marketed to business) and even allowing people to pay taxes by credit card.

o American businesses have recognized the need to change and restructure to stay competitive, increase profits, and satisfy their customers. It's time the government took the same approach. All across our country, businesses have recognized how new thinking and a new way of doing business can increase profits and cut costs. It's time our government learned that lesson from successful businesses and changed the way it does business to improve services and cut costs.

THE NATIONAL PERFORMANCE REVIEW QUESTIONS AND ANSWERS

Q: Why will this succeed when every other effort has failed?

A: Most importantly, because there is leadership from the White House. President Clinton and Vice President Gore share a strong commitment to improving the way government works and to making government work better for less. That commitment is shared by every Cabinet Secretary and agency head across the government. And, it is supported by the American people, the customers of government, who are fed up with government-as-usual and are demanding change.

In addition, the National Performance Review -- unlike every other earlier effort of this kind -- did not bring in outside experts to create a report to gather dust on some shelf. The National Performance Review organized a team of talented, experienced career federal employees who know best (from first-hand experience) what's wrong and how to fix it.

The NPR Report offers specific recommendations and real savings -- for immediate action and over the long term. The President will sign executive orders and cabinet secretaries will take action to begin the kinds of dramatic changes the National Performance Review is recommending. Americans want a change. Federal employees want a change. The President and Vice President are determined to make it happen.

Q: How do you expect to overcome Congressional opposition to your recommendations?

A: We have been and will continue working closely with Congress on a bipartisan basis. This is not a political issue. The American people want change and they want to know their tax dollars are being spent wisely. They want a government that works. We believe Congress shares our determination to cut spending and reform the government. We're asking for some big changes and change is never easy. We know there are those who will defend the status quo -- even if it means wasteful spending and unnecessary bureaucracy. And, we expect some fights. But we intend to work with Congress to bring about these changes.

Q: How do you propose to get all these hundreds of recommendations through Congress? Will you deal with each one individually? Use the Commission that the Senate Government Affairs Committee has approved? How?

A: Remember, many of the actions we are proposing do not need Congressional approval. They can be accomplished by administrative action, by the President or by cabinet secretaries and agency heads. The President will sign executive orders and other directives, and cabinet secretaries will take action to implement many of these changes. Where Congressional action is needed, our goal is to identify the quickest way possible to gain Congressional approval for this package. We intend to work with Congress to identify the best way to move these proposals forward. If they are serious about cutting costs and serious about reforming government, they'll do just that.

Q: The National Performance Review report includes hundreds of recommendations. How many do you really expect to get accomplished?

A: We intend to dramatically change the way our government works -- to cut waste and bureaucracy, to create a government that works better and costs less. Many of the actions in the report we will take immediately. We intend to work with Congress to gain approval of the remainder. We recognize that the change we seek will not happen overnight. Ours is a long-term commitment and a long-term job. We're going to stay with it and keep working.

Q: What proportion of these recommendations require Administrative action? What proportion require Congressional action?

A: Approximately half of the agency recommendations and approximately three-fourths of the systems recommendations can be achieved administratively. However, because Congress has oversight responsibilities over all Executive Branch departments, major restructurings -- even if they do not involve legislation -- will need to be done with the cooperation of the relevant congressional subcommittee.

Q: What proportion of these savings can be accomplished administratively and what portion must be accomplished through legislation?

A: The savings identified in our report as agency savings represent 34 percent of the total NPR savings and will require Congressional action through the budget process. It is more difficult to estimate the extent of Congressional approval that will be necessary as agencies downsize and change the way they work. Obviously, Congress will have to help the Administration simplify the procurement and personnel systems of the government. However, we believe that some downsizing can be achieved without Congressional action. It is impossible, however, to put a percentage number on this.

Q: Aren't there costs involved with your recommendations? What are they?

A: Our overall savings -- \$108 billion over five years is a net number. It reflects whatever additional spending we've recommended so that over the long term the savings can be even greater. For example, an investment in technology today can bring savings in the future. That's an investment we ought to make.

Q: The bulk of your savings come over five years, in the long term, when Congress is looking for cuts they can make now. Didn't you fall short of the President's promise to deliver a \$10 to \$20 billion package of immediate cuts?

A: The National Performance Review report presents savings of more than \$108 billion over five years. That is a substantial savings and represents serious cuts of bureaucracy, waste, duplication, obsolete programs. Congress ought to make those cuts over the long term and they ought to make the cuts that can be made now -- millions of dollars in the wool and

mohair subsidy, the honey bee subsidy, for example. But we recognize that big changes take time and we're recommending big changes to make government more efficient and to more effectively deliver services to the American people.

Q: You call for substantial reductions in the federal workforce and dramatic changes in personnel rules. How will you deal with opposition from unions representing federal workers?

A: We have talked with union representatives throughout this process and we'll keep talking with them. They are interested in our work in no small measure because they know how frustrated their employees are working in a government where outdated systems frustrate innovation and progress. And, they are supporting many of our recommendations because they know that these recommendations will help their members do their jobs better, will help them cut through red tape and, when they're doing a good job, get recognized for it.

Q: President Clinton already called for a cut of 100,000 government workers by attrition. You're recommending another 152,000. Aren't federal workers bearing an unfair burden of the cuts here?

A: Absolutely not. In fact, many of our proposals reflect recommendations we heard from federal workers and, as they are implemented, will make their jobs easier to accomplish and will improve their working conditions and their chances for promotion or raises. It is precisely the layers upon layers of bureaucracy and micro-management that we're trying to cut that are among the most frustrating obstacles faced by federal workers.

We are acting to get rid of outdated and unnecessary bureaucracy. The changes we're proposing to simplify the government's control systems -- budget, personnel, procurement and others -- mean we will be able to pare down the structures that go with them; structures that have grown twice as large as they should be. But we are also making a commitment to every federal worker whose job is eliminated: if they can't retire through our early retirement system or, if they choose not to take a cash incentive to leave the government, we will help them find another job offer, either with the government or in the private sector.

Q: If I'm a federal worker, how much will you pay me to leave my job. And, government wide, how much do you estimate this buy-out will cost? Is that cost reflected in your numbers?

A: The Administration will be moving quickly in the months to come to offer all federal agencies buy-out authority. That authority currently is available to only two parts of the government -- the Defense Department and the intelligence community. There is a limit of \$25,000 per employee.

Buyouts will be done within an agency's budget. We do not propose to appropriate extra money for buyouts but to let each agency make these choices as part of their overall cost-cutting efforts.

Q: Are you planning to change the system so you can fire federal employees?

A: We're going to create a personnel system that works better, makes sense, and costs less -- for workers, for the government, and for American taxpayers. Right now, thousands of pages of rules and restrictions, layer upon layer of bureaucracy, have created a personnel system that simply doesn't work. We're going to make it easier for federal workers to do their jobs and we're going to make it easier for them to grow and advance in their workplaces -- to get rewards, promotions and raises. And, yes, we're going to make it easier, when it's necessary, to fire employees who are not performing up to standard.

At his town meetings with federal workers, the Vice President asks if it's too hard to fire bad employees. Usually, more than 90 percent raise their hands when asked if the system needs to be changed. Federal employees recognize probably better than anyone else that the system needs to be changed. It's a system that's frustrating them as much as it's frustrating their customers. Remember, the system makes it just as hard to give good employees bonuses or promotions.

Q: Why don't you just stop wasting money instead of changing the budget system?

A: The budget system encourages waste. Line items encourage spending in low priority areas and year-end spending limits encourage spending every last dime (often in a last minute rush) or you get less next year. No private sector business could succeed with these types of incentives. Can you imagine a business that couldn't transfer money from its equipment budget to its personnel budget if it had to? Or one that had 450 job classifications. Or one not allowed to buy what it needs, when it's needed, at the best price? Or one that doesn't reward saving money? The National Performance Review recommendations will fundamentally reform the systems of government -- that's the only way to achieve long-term savings and real improvements in service and performance.

Q: Will the unions accept your recommendations for changes in laws such as Davis-Bacon?

A: It is our hope they will. Our recommendations maintain existing protections but bring common sense to the process and a recognition of today's circumstances. Our approach in the Davis-Bacon case is similar to recommendations in legislation offered by Sen. Kennedy in March. When we go to Congress on this issue we propose beginning the discussions with Sen. Kennedy's legislation which offers the unions some safeguards they did not previously have in return for the changes we are proposing.

Q: There are recommendations that had been leaked earlier -- for example, doing away with maritime subsidies -- that are not included in the final report. Why not?

A: We received hundreds of recommendations. The final report includes nearly 1,000 actions. While many, many recommendations were included in the final report, some were not because as they were examined and as we asked questions about them, we determined that

right now, they didn't make sense or they needed more study. Remember, this report represents a beginning, not an end, to this process of creating a government that works better and costs less. We will continue to look at our government and how to continue this reform process. (If asked follow-up about maritime: On the maritime subsidies, we decided that it was an issue that needed more study and more time than we were able to give it.)

Q: You are recommending that agencies be allowed to roll over 50 percent of what they do not spend on operations in a given year. If they can save it, doesn't that demonstrate they don't need it? Why not just take the money back?

A: It's that kind of thinking that's wasted money year after year when agencies go into their end-of-the-fiscal-year spending rush. More than anything else, we heard stories about how money was wasted at the end of the year by managers afraid that if they didn't spend it, they wouldn't get it the next year. We want to change that. We want to give managers an incentive to save and allow them to keep some of the savings and apply it to training or management improvements that could lead to even more savings. Where policy decisions warrant spending cuts, we're all for them. It's the automatic cuts that just don't make sense. We'll end up right where we are today -- wasting money year after year.

Q: How large is the investment in technology that you're requesting? What will it cost the government to put this electronic government in place?

A: The federal government is already spending \$25 billion a year in information technology. The NPR proposals add a modest amount - \$121 million over five years -- to the government's substantial investment.

The focus of NPR's information technology initiatives is not on new money but on breaking down the bureaucratic barriers that have prevented the most effective use of this money and have cost money. By breaking down these barriers in the area of information technology, NPR estimates that the federal government can achieve net savings of \$5.4 billion over five years.

For instance, we will promote interoperability between federal agencies, we will consolidate networks, we will standardize software applications and minimize the number of those applications.

Q: You're recommending elimination or consolidation of employment and training and education programs. By reducing spending in these areas aren't you contradicting the President's goals?

A: Where we are recommending consolidation or elimination in these areas it is precisely to help meet the President's goals and to ensure that every penny is put to its best use. We're not cutting funds for job training or education, we are reducing administrative costs so that more can be devoted to the people who need these services and less to overhead. We are also planning to improve access to job training by establishing a system of one-stop career development centers open to all Americans.

Q: How do you justify merging DEA and ATF into the FBI? Both proposals have been sharply criticized by those who say, at a minimum, it represents a retreat in the war on drugs?

A: The federal government has dozens of agencies involved in law enforcement. Their jurisdictions overlap, they often don't coordinate, and they sometimes interfere with each others activities. Fighting the war on drugs is a major example of these problems. Our strategy is to give the Attorney General broader powers to coordinate federal law enforcement and to consolidate critical missions -- like fighting illegal drugs. In the case of illegal drugs, we want to consolidate the best of three law enforcement philosophies -- FBIs, ATFs, and DEAs. The best analogy is a magnifying glass -- we are focusing our efforts to make it even hotter for the drug dealers and their bosses.

Q: Where did you get the 1:7 ratio of managers to employees in the federal government and on what do you base your recommendation that the ratio be increased to 1:15?

A: A September 1992 OMB report (#MW 56-22) provided the 1:7 ration based on data from September 1991. Management experts like Tom Peters, have long recognized that in high performing organizations that ratio is higher, and sometimes as high as 1:75. We are basing our recommendation on these management principles that have a proven record of success.

Q: You're recommending that for executive branch printing the Government Printing Office no longer should have a monopoly. Won't that put the GPO out of business?

A: Our goal is to let competition drive down prices and improve services. Right now, the GPO doesn't have any competition and no incentive on price or service. If the GPO can produce competitive prices and quality service, they'll get the work. If not, it will go somewhere else. Remember, GPO also handles Congressional printing.

Q: Won't passenger safety be compromised by turning the air traffic control system into a corporation?

A: No, in fact, by creating a government owned corporation -- supported by user fees and governed by a board of directors representing the systems customers -- we help the air traffic control system improve services in a timely way. As customer use rises, so will revenues, providing the funds needed to answer rising customer demands and finance new technologies to improve safety.

Q: The changes you are proposing for workplace inspections will allow businesses to inspect themselves. Does that really make sense if you're going to protect workers adequately?

A: Our goal is to improve worker safety and improve inspections. Right now, there are

only enough OSHA inspectors to visit even the most hazardous workplace once every several years and personnel to follow-up on only 3 percent of its inspections. With this approach, the government will still set standards and impose penalties on workplaces that don't comply, but we're using the same basic technique the federal government uses to get companies to keep honest financial books: setting standards and requiring periodic certification of the books by expert financial auditors. This approach will help OSHA ensure that all workplaces are regularly inspected without hiring thousands of new employees. Our proposal involves non-managerial workers in self-inspection sites but only after the process is certified by OSHA.

Q: Is it realistic to think about biennial budgets when Congress has rejected these proposals so many times in the past?

A: In more places than just this one, this report challenges the status quo. We believe it makes sense for the federal government to develop two-year budgets. It will streamline the system, cut costs, and improve our ability to develop a budget where the content of that budget and not the process that governs its development is what's important. It also will allow agencies some assurance to pursue their longer-term efforts to improve program delivery.

As well, we believe the time has come to consider biennial budgets because of the passage this past summer of the Government Performance and Results Act of 1993. This act and the NPR report requires us to move to government-wide performance measures by fiscal year 1998. We believe there will be considerable support in the Congress for biennial budgeting.

Governments that manage by outputs -- by performance and results -- not inputs, find that they use the non-budget year of the two-year cycle to evaluate programs and decide if the programs are achieving their legislatively intended mandates and goals.

Q: When will the regulatory review executive order be released? What more can you tell us about it?

A: The President is expected to sign the Executive Order on Regulatory review in the near future. The process created through that Order represents a clean break from the past and creates a regulatory review process that is open to the public, streamlined, responsive, coordinated, straightforward, and fair. It provides a regulatory process that works for the American people, not against them, improving health, safety, and well-being while encouraging economic growth and job creation. It is aimed at producing regulations that are sensible, understandable, consistent, and effective. It uses a broad definition of costs and benefits to include a realistic assessment of impacts on the economy, the environment, and public health and safety.

The goal is to regulate only when necessary and when necessary, in the most cost-effective way to maximize benefits to society and place the smallest possible burden on those being regulated. And, the plan is directed at creating and implementing regulations that are simple, easy to understand, and minimize the potential for litigation and uncertainty.

Q: When will the new Enterprise Board decide where the 100 enterprise zones will be located and how will those decisions be made?

A: The Secretaries of HUD and Agriculture have the authority to designate (after a formal application and review process) certain areas of the country as "empowerment zones" and "enterprise communities," thus enabling these localities to receive grant monies and other benefits. Specifically, the Act allows the Secretary of HUD to designate six urban zones and 65 urban enterprise communities and the Secretary of Agriculture to designate three rural zones and thirty enterprise communities, not, as you state, "100 enterprise zones."

Before making such designations, the Secretary of HUD and Agriculture must issue selection criteria to guide the localities during both the planning process and the application process. The Secretaries are working closely with the group in formulating these criteria. These criteria will encourage innovative, bottom-up approaches to community development and empowerment.

After the criteria are developed and announced, we want to provide localities with sufficient time to develop community development/empowerment plans that are big, bold, and creative. We also want to ensure that the localities have enough time to involve the private sector and their States in the planning process.

Q: The recommendations that appear in one part of the NPR report seem to contradict the recommendations in another part. For example, NPR recommends reducing organizational layers throughout government; yet it also recommends the creation of several new councils. How do you reconcile these contradictions?

A: The answer depends upon the specific "contradiction" you have in mind. With respect to the recommendations of new structures, the NPR has been extremely mindful of the need to reduce the size and cost of government and the bulk of our recommendations are consistent with that policy. However where we recommend new functions, we have weighed carefully the substantial benefits of creating or strengthening a core management capability against the costs of those offices. As the President has argued frequently we must be willing to make the right kind of new investments at the same time we are reducing the costs of government operations. Our recommendations are overwhelmingly on the side of scaling back and doing more with less and, where we recommend a new body, such as the President's Management Council, it is to ensure that we continue to meet that goal.

Q: A 1992 Presidential Commission recommended absorbing AID into State Department or simply abolishing it. Why did the NPR not follow through with this recommendation when it had the chance?

A: The NPR considered the threshold question about AID's future existence. Reasonable arguments have been made for AID's absorption into the State Department or for its abolishment. The NPR has concluded that the problem driving all AID's other problems is the lack of a clear and coherent mission and manageable set of priorities in legislation governing its programs and operations. AID's abolishment or absorption would not cure this

central fact about the laws now covering this country's bilateral assistance programs. With a simplified mission, clearer priorities, strong leadership and innovative thinking, AID could reclaim its potential to be an effective provider of U.S. development assistance. However, NPR agrees with the agency's new administrator that AID must proceed with a sense of urgency to fundamentally reform its programs and operations if the agency is to achieve that goal and to warrant continued existence in its present form.

Q: Why did the NPR not establish a coordinating body for foreign assistance?

A: The National Security Council is engaged in a comprehensive review of this issue. Their report is expected soon. Any additional guidance from the NPR would be duplicative.

Q: How much is this whole thing costing?

A: The costs are minimal because for the most part, we are relying on federal employees. The NPR operated on a \$1.5 million budget -- far outweighed by the savings the review identified.

Q: Where does the money come from?

A: The NPR budget came from the Department of Defense.

Q: How can you justify putting all food safety programs into the FDA? There has been strong opposition voiced to such a proposal. Why does it make sense?

A: The creation of a single food agency will eliminate a very complex bureaucracy which interferes with effective public health-based decision-making needed to correct present food safety problems. The present multi-agency approach contains conflicting laws, different enforcement authorities and inconsistent frequencies and intensities of inspections. This reform will lead to the elimination of unnecessary regulations, duplicative and overlapping operations and more efficient use of inspection resources. It will provide enforcement of uniform, scientifically-based laws. It also will improve the quality of food safety inspections, adding microbiological measurements to the sight and smell tests now used by the Food Safety Inspection Service.

Q: Why are you proposing to eliminate the federal retirement program for railroad workers?

A: We are not proposing to eliminate the federal retirement system for railroad retirees. In fact, no one's benefits should change. All we are proposing is that we transfer the administrative functions of the Railroad Retirement Benefits board to agencies such as the Social Security Administration and to the unemployment insurance system which already administer these benefits satisfactorily for other Americans. This will not affect the benefits anyone receives. It will cut down on administrative costs to the government.

Q: Why create a government corporation for air traffic control?

A: A corporation will be better able than a government organization to buy the latest and best equipment, to assign employees where they are most needed, and to respond to its customers needs. In short, we believe that a corporation will allow the air traffic control system to do a better job and improve safety in the process.

Q: How do you come up with a savings of \$2.1 billion in the Department of Energy's labs over the next five years? Doesn't a number this big anticipate that you will have to close some labs?

A: First, let me put this in perspective. The budget for the national labs (management and operations contracts, the Defense program's portion, and the environmental clean-up) runs to \$16 billion per year or \$80 billion over a five year period; the anticipated savings here accounts for 3 percent of that total over a five year period.

The savings anticipated by our recommendations on the energy labs are not based on closing any labs in their entirety. Instead, they consist of proposed changes in the following areas:

- increased use of cooperative research and development agreements (CRDAs) and other means of marketing the talents of the labs to the private sector in order to decrease the cost of the labs to the federal government while maintaining a healthy employment base at the national labs. It is estimated that \$25 million in severance payments alone can be avoided in 1995 and 1996 by actively marketing lab facilities and the specialized talents of lab employees;

- anticipated consolidation or closure of obsolete activities in the labs complex due to the fact that we will be building fewer nuclear weapons;

- improved contracting and management practices which allow certain tasks now performed by expensive contract personnel to be performed by less expensive government employees;

- anticipated sale of surplus property and scientific equipment.

Q: Why is the change in FDA user fees shown as a \$1.4 billion change in spending? Isn't this really an increase in receipts?

A: Most user fees are scored as negative budget authority and outlays. There's nothing unusual here.

Q: What is the relationship between your recommendation for HCFA and the upcoming health care reform proposal? Will the savings you're claiming, \$985 million over five years, be real?

A: Yes, the savings are real and are not in conflict with the health care reform task force. The savings will come from expanding competitive contracting into the processing of medicare claims. This introduces greater competition and protection against fraud into

Medicare contracting. Both are consistent with the principles of the Health Care Task Force.

Q: You do not show any savings for the intelligence community because the information is classified. Is that savings included in your \$108 billion total?

A: The savings are not included. They couldn't be counted because they're classified.

Q: Why is there a change in spending -- an increase -- shown for management of the park service?

A: Fifty percent of the additional revenue generated by changes in park fees would be reinvested in park infrastructure, which is badly in need of reinvestment. The remaining 50 percent would be counted as savings. Our parks are one of our greatest national resources. The Park Service has estimated that there is a backlog of projects totaling \$5.5 billion. This recommendation tries to provide greater funding, both as a way to finance Park operations and as a way of making a start of fixing these infrastructure problems.

Q: How do your recommendations on obtaining a fair return for federal resources (in the Department of Interior) relate to separate efforts to change mining and grazing fees? The Secretary is involved in negotiations on grazing and in legislation on mining.

A: NPR worked closely with the Interior Department on this issue. Our recommendations are consistent with those of the Secretary.

Q: Why didn't you just get rid of the helium program?

A: We believe our recommendation makes sense. It will reduce costs by \$12 million a year and increase revenues by \$35 million a year. This is a complicated issue. There was the potential for great harm to the helium industry if our helium reserves were dumped on the market and, it would put a lot of people out of work. The proposal here reduces the cost of the program and increases the income.

Q: You claim nearly \$2 billion in savings by restructuring NASA. What does this involve? How is this different from the changes NASA announced when it announced a new space station program?

A: The VEST Commission recommended that management of the space station programs should be sharply reorganized and NASA is doing this. The National Performance Review found that many of the same principles put forth by the VEST Commission should be extended across the agency. This would include a 30 percent reduction in contract and FTE personnel, and substantial changes in contracting practices. We are also recommending that NASA do a complete review of its facilities for where savings can be achieved.

Q: You're claiming credit for \$1.6 billion in cuts from the Agriculture Department through reorganization. How precisely will that savings be realized?

A: The organization of the Department of Agriculture has not changed substantially since the 1930s when there were a lot more farmers in America. Secretary Espy has moved aggressively to modernize the Agriculture Department by reducing the number of agencies from 42 to 30 and by reducing the number of administrative support staffs from 14 to 6. In addition, USDA will consolidate or close approximately 1,200 field offices. Once in place, these changes will eliminate 7,500 positions and save \$1.6 billion over five years.

Q: Please explain the numbers for the Increase in Electrical Power Revenues and Study rates. Will this increase rates?

A: We are not proposing any significant rate increase. The NPR report makes two assumptions. First, the debt of the Bonneville Power Authority will be refinanced (as allowed within existing authority) which would redress some of the subsidy provided by taxpayers. Second, the NPR report recommends that the Secretary of Energy study the rates and establish rates for other Power Marketing Administrations to cover full operating costs.

Q: Will there be another National Performance Review? When? Who will do the work?

A: This report represents the beginning of what will be an ongoing effort to create a government that works better and costs less. We intend to continue our work, through the newly established President's Management Council and through every Cabinet Secretary to change the way the government works, to improve services, cut bureaucracy and make sure taxpayers are getting their money's worth. In this review, we identified many things we can do and many things yet to be done so our work will continue. We are going to continue to look at different issues that we raised in this report and others that need more study. The 200 federal workers we assembled for this six-month project will go back to their agencies and bring with them this commitment to change. But considering the success of this project in identifying ways to make the government work better and cost less, we're certainly considering other similar reviews in the future.

Q: Did the Cabinet Secretaries have the ability to veto recommendations you had hoped to make? Were there instances where a cabinet secretary stopped you from acting?

A: We worked closely with the cabinet throughout this process. Remember, at the President's direction, each cabinet secretary created their own "reinvention" team and the national performance review teams worked closely with them. This was very much a collaborative not a confrontational process with a great deal of consultation and discussion. Our efforts were met with great support and enthusiasm from the cabinet - they are as eager as we are to improve the way the government works, to get rid of unnecessary bureaucracy and cut costs.

Q: What difference will all this make to the American people? And when?

A: It will mean better service and lower costs. As part of the National Performance Review, the IRS, Social Security Administration, and Postal Service have made commitments to customer service -- in the time it takes to get your tax refund, in responses on 1-800 lines, and waiting times at post office counters, for example. The President is directing all agencies to listen to their customers and respond to their needs and then measure performance by how well they've met the needs of their customers. Front line employees will be enlisted to figure out how to deliver better services with improved efficiency. The National Performance Review represents a new recognition and new awareness of the importance of customer service.

Q: What's happened to the reports from all your teams? Will they be released?

A: The work of our National Performance Review teams is reflected in the report we have released. We will, in the future, release additional details and supporting information in the individual team reports. You can imagine from the number of recommendations we are making, that there is an enormous amount of material. Our intention is to release the work of the teams at a later date.

Q: Is it appropriate to have government employees conducting a review of themselves?

A: Outsiders have traditionally reviewed the government and those efforts haven't succeeded as much as everyone would have liked, in part because they did not consult with those who have to live in the system. As any modern organization improvement expert, such as Tom Peters or Joseph Juran, will tell you, you have to involve those who are affected if you want real change to happen. The experience of other countries that have reinvented themselves shows that real change comes from within. We relied on team of experienced and talented federal workers who then sought advice and ideas from a wide range of groups and individuals.

Q: How do you reconcile the message of cutting costs vs. reinventing government?

A: The National Performance review is and always has been about both. If you're interested in really reducing costs over the long term, then you have to change the way the government works. That's one of the major reasons this review is different from others that preceded it. Those efforts focused primarily on waste and abuse and did not try to put in place a positive vision of how government should work in the future and a blueprint for how to get there. We want a government that works better for less. We found plenty of ways to save money and make government more efficient. But this is about more than that, it is about fundamental and profound changes in how government works. We intend to change the very culture of government. We're not after just short-term savings, but long-term changes. For example, by changing the incentives in the budget system so that federal managers are rewarded for saving money, the process of cutting costs becomes ongoing and long term.

Q: How many people worked on the National Performance Review?

A: We assembled a team of about 200 federal workers. Many of the federal employees are senior executives who have been frustrated with the system and know where the changes need to occur because they've been trying for years to bring about those changes. We have included line managers and employees who deliver services directly to the public. They come from the field as well as Washington, D.C..

In addition to the people on the National Performance Review team each Cabinet Secretary has put together his or her own internal reinvention team and those teams worked closely with the NPR teams.

Q: If we are going to empower federal employees, how are we going to keep them from making mistakes?

A: In most cases, the problem is not the people but rather the system in which they work. We think we can fix the "blundering" problems by setting clear expectations, rewards, and penalties for poor performance, by reforming the personnel system and giving managers the tools and incentives they need. We will measure performance and we will hold employees accountable for results. But we're going to do it in a way that really produces results instead of blocking them.

We need to find a clear balance between protecting the taxpayers money from outright fraud and abuse and protecting the taxpayers money from overly bureaucratic systems that waste money and make the government pay more than it needs to pay to get the job done.

Q: Are you using Total Quality Management principles to redesign the government?

A: The basic principles of TQM are reflected in the review -- especially the focus on the customer -- but anyone who knows anything about government knows that in the government, nothing is 'total.' We have involved some of the top award-winning management leaders in the federal government and we have created teams that are spending time with customers. The teams themselves are talking to a wide spectrum of suppliers and internal customers. As well, we've sought advice and ideas from business leaders who have applied innovative management principles to their own companies, increasing profits and cutting costs in the process.

Q: The Vice President asked the public and government employees to contribute to this review, to write letters, to call in. Were their recommendations incorporated?

A: Yes. The Vice President met with federal workers at every agency and at regional centers around the country. Hundreds of letters were received and read. We learned a lot from them and found them incredibly useful both in terms of identifying problems and designing solutions. Many of their comments are reflected in this report.

Q: How were the NPR staff selected?

A: We sought experienced federal workers from across the government and we found that across the government there are people experienced and dedicated to the principles behind our work. In many cases, federal workers came to us because they wanted to be involved.

Q: Did federal workers comprise the entire staff?

A: The NPR teams were made up of federal workers. However, they consulted with outside advisors from state and local government, from the business world, and elsewhere.

Q: How was the cabinet involved?

A: The cabinet was involved throughout this process, both through their agency 'reinvention' teams and through personal contact with the NPR staff and the Vice President. We have worked with Cabinet Secretaries and agency heads throughout and have welcomed their enthusiasm and their support for this review.

Q: If the NPR was able to take almost 250 federal employees away from their jobs, how important were these people, and why can't their positions be eliminated?

A: Almost all the staff were recruited to NPR from agencies who were reluctant to release their best people but did so in recognition of the great importance of this effort. NPR selected a wide range of specialists at all grade levels from across government to reflect the diversity in the federal workforce. Their work at NPR has demonstrated some of the best virtues of the civil service which hardly justifies eliminating their jobs upon their return.

Q: How much damage to government services did the NPR do by taking 250 people away from their jobs?

A: There is no doubt that both organizations and individuals have made significant sacrifices to conduct the NPR. Even though a number of individuals spent long days working at NPR then worked nights and week-ends at their home agencies, most organizations had to soldier on without the services of those working at NPR. The NPR staff and their home institutions have had to make adjustments to support this very important enterprise. We have every confidence that the return on investment to government operations over the next decade will be many times the sacrifice made this summer.

Q: Why were the vast majority of NPR staff selected from the GS15 and SES ranks? Why was there so little involvement from the lower grade employees that the NPR seeks to empower?

A: The more senior personnel have both the experience and the demonstrated ability to wrestle large, complex issues to resolution quickly, more so than less seasoned employees. Given the very ambitious schedule for reporting out, we didn't have the luxury to conduct

extensive on the job training for junior staff. However, it would be a mistaken impression to believe that lower grade employees were not significantly involved. We used many PMIs -- Presidential Management Interns -- in this process. These are young, talented people just out of management school. Those who were part of NPR were active and vocal participants and contributed valuable parts to the overall effort.

Q: What is the value added of the NPR over all the OMB, GAO, IG and other reports that have already been written about reforming the way government operates? Why not just devote more high-level attention to implementing them and less attention to large-scale and potentially futile reports?

A: If you look at all the government published reports you find the same problems coming up year after year. The federal government historically has been good at identifying problems but not as good at solving problems.

In the NPR, we decided to take a look at success first and we studied successful government organizations both within the federal government and in state and local governments and in governments around the world.

This led us to the principles that are the foundation for this report: cutting red tape, putting the customer first, empowering employees and cutting back to basics. The study of success also led us to our emphasis on the underlying systems of government that need to change.

In addition, there are several important differences that make this effort truly unique. First, the primary architects of these recommendations are experienced career professionals from inside the government, not outsiders with casual knowledge of what's right and wrong with our systems. Second, we have reached out to thousands of others throughout the country through town hall meetings, the Philadelphia Summit, our 800 number and the tens of thousands of individual citizens who have written to us with their ideas and concerns. Third, these recommendations have been coordinated thoroughly at the highest levels of this Administration to ensure that they are valid, sound and practical solutions. And, sometimes the OMB, GAO, and IG recommendations didn't go far enough or identify solutions.

Finally no other administration has committed the Vice President to such an intensive and extensive effort to transform the entire government from top to bottom and side to side. Of course the final difference will be in what we accomplish, and these results will be far from futile.

Q: How involved was OMB in the NPR? If OMB is doing its job, why is an NPR necessary?

A: OMB has been intimately involved in NPR from the outset. In addition to Phil Lader being one of the principal leaders of NPR, there have been numerous other individuals from OMB who have supported NPR on a full-time or part-time basis. Every NPR team had an active OMB liaison, the draft reports were made available to OMB for comment, and OMB prepared all fiscal estimates.

The reason for doing NPR outside of OMB is that OMB has had its hands full this

summer preparing the President's budget for submission to Congress. As you well know, there have been constant questions and calls for information in addition to the round the clock negotiations with the Congress that OMB had to support. Thus precisely because OMB was completely devoted to doing its job--working the budget, not to mention fulfilling its management responsibilities --that the NPR was accomplished by other staff who could devote all their attention and energies to reinventing the government.

Q: How did the NPR evaluate entitlement programs?

A: The NPR did not address entitlements as a central focus. However in our agency reviews of HHS, VA, Education, Labor and other service-oriented departments, we have recommended ways in which certain entitlement programs can be managed more effectively and economically, and ways to reduce fraud in entitlement programs.

Q: Why are there so few defense issues, given the size of the DOD and its obvious need for reform?

A: The NPR has been careful to concentrate on areas where we could make distinct value added contributions to the current efforts of each agency to improve their internal operations. The DOD had already begun a major examination called the Bottom-up Review last January well before NPR started in March. The NPR therefore deferred to the Bottom-up Review.

Q: How much influence did the DOD have in dissuading the NPR from taking on certain issues?

A: Where DOD was already addressing specific issues in their Bottom-up Review, there was little reason for NPR to devote its attention and limited resources to duplicating the same study. DOD has been quite energetic in moving out on their own impressive reinvention initiatives and NPR has been cooperating with DOD to ensure that our efforts are complementary.

Q: How were issues pared away from the NPR? Who decided what stayed and what got cut from your list of recommendations?

A: Those decisions were made after careful study and a great deal of consultation within the NPR and within the agencies. We wanted to make sure that the recommendations we put forward made sense and would accomplish the goals we sought -- improving the government and cutting costs. In some instances, we discovered that issues needed more time that we were able to give them in this six-month review and we're going to continue to study them. In other instances, it was clear early on when a recommendation just didn't make sense.

September 6, 1993

TO: ROGER ALTMAN
ALAN BLINDER
RAHM EMANUEL
MARK GEARAN
DAVID GERGEN
ELAINE KAMARCK
LEON PANETTA
JACK QUINN
LABOR SECRETARY REICH
ALICE RIVLIN
BOB RUBIN
GENE SPERLING
GEORGE STEPHANOPOULOS
LAURA TYSON

FR: MARLA ROMASH

RE: NPR

Please comment ASAP. I am in the office all day (202-456-7034).

This language has been approved by the Vice President.

Q: You are claiming TKTKTK in savings. And, have broken it down according to agency or system. Are these all new savings? Are some of these proposals already included in the President's budget?

A: We've identified TKTKTK in savings by taking a close look at our government and how it can work better and cost less. This report provides Congress and the American people specific ideas and actions to achieve substantial savings and to create a government that works better for the American people. But it's important to recognize: we will realize those savings only if we take the actions we're recommending here. The President will provide leadership. Where he has the authority to make the changes we are recommending, he will make them and savings will result. Congress must take action too and vote to make all these savings real.

The overwhelming majority of our recommendations represent newly identified savings -- strictly and conservatively estimated by OMB -- that can result if our recommendations move from paper to practice. But it is important to note that in some cases we are describing in detail how to achieve savings that were previously recommended. For example, of the TKTKTK positions by which we propose to streamline the bureaucracy, 100,000 were first recommended in the President's budget. We describe exactly how to achieve all TKTKTK reductions and we commit ourselves to take Administrative action and to work with Congress for the specific spending cuts and systems changes that will accomplish the goal. In other cases, we're going back to Congress with cuts they've refused to make and generating new pressure to make those cuts. We are presenting a dramatic plan for real changes and real savings in the federal government.

Q: How will this money be used? For deficit reduction? For new programs or investments? To help agencies reach the caps in the President's budget?

A: (for every day) Let's take it one step at a time. The old ways said you spent money before you had it. We want to do it differently. We're saying we want to cut spending first. Today, we are releasing hundreds of groundbreaking recommendations to cut waste, streamline the bureaucracy and bring about real change in the way the government works. That is our priority -- taking action to create a government that works better and costs less. There will be no improvements and there will be no savings if these recommendations remain simply recommendations. The President will do his part and real savings will result, but it's up to Congress to do their part too, to make the tough choices needed if this savings is going to be realized.

We are determined to create a new federal government, streamlined, effective, and driven to serve its customers, the American people. That's the kind of government we need if we're going to be competitive and bring about real economic growth -- a government that is more efficient, more responsive, and less bureaucratic. We're ready to start immediately working with Congress to get these recommendations passed. Talk is cheap, but it won't save us a dime. So when you ask about where the savings will go before the changes are made, you've got ideas but no money.

Our first priority is cutting spending, cutting bureaucracy, and providing a government

that provides better, more efficient services to the American people. This is where we think the cuts should come. We want to cut waste and wasteful systems, not benefits for senior citizens. And, we want these cuts made first, before anyone talks about where money they don't have ought to be spent.

Q: So you're saying none of the savings identified in the National Performance Review report should go for deficit reduction?

A: No, we are not saying that. What we are saying is that we want these cuts and these changes passed before we're going to talk about where the money ought to go. We're not going to spend money we don't have -- that has been our country's problem for the past 12 years. We want these changes and these cuts made first before anyone talks about where money they don't have ought to be spent. We want a government that works better, costs less, and provides first-rate service to the American people it serves.

The President's economic plan includes the largest deficit reduction in history. The President and the Congress made some tough choices to get that deficit reduction. It is real and it is in place, making a significant difference in our economy already with lower interest rates. Our priority now should be demonstrating that we can streamline our government, and create a government that works better and costs less. We want to cut spending first. We want to achieve this savings first before we talk about where it ought to go.

Q: Republicans in Congress are saying that this money must not be used to help agencies meet the caps; that is, they're saying that if this is to be real savings in addition to that proposed by the President, then this savings must, in effect, lower those caps even further and be directed completely to deficit reduction. Your response?

A: We are eager to work with Democrats and Republicans in Congress, where a lot of Congressional action is needed to make these changes and realize these savings. We'd rather talk first about what we think needs to be cut before we talk about where the money ought to go, and focus on making those changes that will provide the savings. The Republicans, it seems, are all ready to talk about where to spend money they don't have.

We're providing specifics on how we can create a government that works better and costs less. Our savings -- TKTKTK over five years -- is significant, and we want to work with the Congress in a bipartisan way. If the Republicans are serious about cutting spending and changing the way the government works, they'll focus first on how to achieve the savings. We believe Congress -- Democrats and Republicans -- share our commitment to reform the way our government works. We're not going to shadow box. We are going to get moving to get these recommendations passed.

Q: Why should we believe these numbers? How can we be sure they're real?

A: We have insisted to OMB that the most conservative and the most precise methods possible be used to estimate the savings. That is what these numbers reflect -- the most precise, conservative, and realistic estimates possible. There is detailed information in the appendix of the report but let me just use one example to illustrate what I mean: in calculating the savings realized if the systems changes are enacted that will allow significant

cuts in the bureaucracy, we did not include overhead costs -- even though those overhead costs run about \$47,000 per employee. We calculated on straight salary costs alone. These numbers are solid. We expect they'll be challenged -- and we expect others will run different variables and come up with different numbers. But I want to assure you in the strongest words possible, we demanded firm, realistic numbers and we believe we got them.

MER:

ROGER ALTMAN	SAT-AT HIS MOM'S IN BOSTON, MA SUN-AT HOME (WH OP HAS #)
ALAN BLINDER	SAT-SUN- HOME (362-6622)
RAHM EMANUEL	SAT-SUN- HOME (296-4086) WILL COME IN ONCE REPORT IS READY
MARK GEARAN	SAT-OFFICE UNTIL 12:30 OR LATER SUN-HOME
DAVID GERGEN	SAT-OFFICE UNTIL 12:30 SAT PM-SUN-BEACH
ELAINE KAMARCK	SAT-SUN- OFFICE
LEON PANETTA	SAT-SUN- HOME IN CA FAX #408-659-3775 (WH OP HAS #)
JACK QUINN	SAT-OFFICE SUN-HOME
ALIVE RIVLIN	SAT-OFFICE SUN-HOME
BOB RUBIN	SAT-OFFICE SUN-HOME
GENE SPERLING	SAT-OFFICE SUN-HOME
GEORGE STEPH	SAT-OFFICE ALL DAY SUN-HOME
LAURA TYSON	SAT-SUN- CA (NO #) HUSBAND WILL BE HOME TO FIND HER (244-5323)

**The President of the United States
Announcement of the National Performance Review
September 7, 1993**

Thank you, Mr. Vice President, for this outstanding report, and for the difficult and thoughtful work that produced it.

[Other acknowledgements?]

Six months ago, I asked you to conduct an extensive review of every agency and every service to search for ways to make government work better and cost less.

The study that you have conducted -- and the recommendations you have offered -- exemplify the change we seek in the entire culture of the federal government, from complacency and bureaucracy, to initiative and performance.

I am proud and grateful that, in producing this report, you listened to and learned from the people who best understand how to make government work better.

This report reflects the practical experience of federal employees whose best efforts have been smothered in red tape; innovators from the business community who are streamlining their own companies; state and local officials who are reinventing government at the grassroots; and concerned citizens who deserve and demand more value for their tax dollars.

This report is in the spirit of our nation's founders who understood that, for our democracy to retain its vitality, every generation of Americans must reinvent our government.

As Thomas Jefferson said: "Laws and institutions must go hand-in-hand with the progress of the human mind as that becomes more developed, more enlightened, as new discoveries are made and new truths discovered, and manners and opinions change. With the change of circumstances, institutions must advance also to keep pace with the times."

For the past decade, our companies and our local and state governments have been changing -- and now it is time for our federal government "to keep pace with the times."

To meet the challenge of global competition and make better use of new technology, our most successful companies are reinventing themselves, eliminating unnecessary layers of management, empowering their frontline workers, becoming more responsive to their customers, and seeking constant improvement in the products they make and the services they provide.

Meanwhile, at the levels of government closest to the people, state and local officials have been unafraid to innovate. When I was Governor of Arkansas, we reformed our public school system and became the first state to institute a governmentwide total quality management program. I've seen similar innovations in other states. In fact, this National Performance Review is modeled on the successful program pioneered by Texas Governor Ann Richards and Controller John Sharp.

Mr. Vice President, the findings of your study reflect the principles that are transforming the best companies and the best governments: cutting red tape; putting the customer first; empowering employees to get results; and cutting back to basics.

Make no mistake about it: This report will not gather dust in some warehouse. This report will be put into action at every level of government. It make sense. It's going to work. And we're going to do it. [And every place in this report where it says, "The President should" -- this President will.]

We have a big job to do -- and that's why we're getting started right now, today. We are determined to make government work better and cost less. By taking the recommendations of this report and putting them into action, we will not only reduce the budget deficit -- we will begin to repair the performance deficit.

We can have a Post Office where you always get served within five minutes after you walk to the counter. We can have an IRS that always gives you the right answer. We can have a government that pays no more for a hammer or a pair of pliers than you'd get at a hardware store.

The Vice President and I are already working with the cabinet to find ways to make government more responsive to the people's needs and more responsible with the people's money.

For instance, under Secretary Henry Cisneros' leadership, the Department of Housing and Urban Development is finding new ways to empower citizens, not expand bureaucracy. The department is eliminating 75 rules and statutes that make it more difficult to build housing and redevelop communities. In more than 20 cities, FHA homes are being sold to first-time buyers through local community groups. Community policing, citizen patrols, and special programs will help keep young people away from drugs and out of gangs -- and bring safety and civility back to public housing neighborhoods. And states, cities, and towns applying for funds for community development and assistance to the homeless will be required to submit only one application and one report, rather than the seven now required.

Under Attorney General Reno's leadership, the Justice Department is finding new ways to collect the more than \$14 billion that deadbeat doctors and other delinquent debtors owe the government. And they're saving money in other areas, from excessive telephone equipment charges in the Criminal Division to the cost of the U.S. Marshall Service's background investigations of potential employees.

Under Secretary Bob Reich's leadership, the Labor Department is preparing to offer one-stop career service centers, offering skill assessment, information on jobs, and education and training. These centers will help their customers make use of any of the 150 separate employment and training programs which the government provides.

Under Secretary Mike Espy's leadership, the Agriculture Department is concentrating its activities on six key functions: commodity programs, rural development, nutrition, conservation, food quality, and research. This focus will allow it to consolidate from 42 to 30 agencies and cut administrative costs by more than \$200 million over five years.

Reinventing government is a crucial step in our journey to revive the American economy and renew the American community.

Last month, we passed an important milepost in our journey of change, when Congress passed our economic plan. Now, we are beginning to pay down the deficit we inherited, cut wasteful spending, ~~we~~ make the investments we need in our people, their jobs, and ^{and} their educational and technological future.

In the weeks ahead, I'll ask Americans to move forward with us on two more steps in our journey of change by reforming our health care system to provide security for every family and opening new markets for our products and services to create new jobs for our workers.

To accomplish these goals, we must take the step we call for today: revolutionizing government itself so that it can be a help and not a hindrance to revitalizing our economy. Our entire agenda of change depends upon renewing government's capacity to get results -- and restoring the faith of the citizens and taxpayers.

As we reinvent government, continue to reform the political process itself. The Senate has passed bills that reduce the influence of lobbyists and political action committees and increase the influence of ordinary citizens. I call upon the House to pass campaign finance reform and lobbying reform, too. We need to restore the people's faith in government's integrity, as well as its efficiency. To make government work

better, we need to make sure that it responds to the national interest, not the narrow interests.

The changes we call for should command the support of Americans from every region and every party and every walk of life. Government is broken, and we need to fix it. That isn't a Democratic goal or a Republican goal; it's an American goal.

And some day, when you get through the first time you call a government agency... when you call IRS and ask a question and trust them to get it right ... when your children ask you how our government works and you answer them with pride... you can say it all started here and now.

And, for that I thank you, Mr. Vice President. To you and your staff: great job.

EXECUTIVE ORDER

REINVENTING GOVERNMENT

WHEREAS, putting people first requires public officials to embark upon a revolution within the federal government to change fundamentally the way it does business; and

WHEREAS, this will require continual reform of the Executive Branch's management practices and operations to provide service to the public that matches or exceeds the best service available in the private sector; and

WHEREAS, to achieve this goal, Congress passed the Government Performance and Results Act earlier this year;

WHEREAS, the Vice President has directed a National Performance Review to examine how well the government serves its citizens, where it can improve, and where it is necessary to make fundamental changes;

WHEREAS, the National Performance Review has presented its findings and recommendations to reinvent government by making comprehensive changes across the Executive Branch;

THEREFORE, to establish and implement more effective and efficient leadership and management principles throughout the Executive Branch as identified in the National Performance Review, and by the authority vested in me as President by the Constitution and the laws of the United States, including section 301 of title 3, United States Code, it is hereby ordered:

Section 1. Customer Service For the People. (a) Customer Service Standards. In order to carry out the principles of the National Performance Review, the Federal Government must be customer-driven. The standard of quality for services provided to the public shall be: Customer service equal to the best in business. All agencies that provide significant services directly to the public shall provide those services in a manner

MARK —
TAKE a leap
through this
+ check
rhetoric
JOAN

that seeks to meet this standard and shall take the following actions:

- (1) Identify the customers that should be served by the agency;
- (2) Survey customers to find out what kind and quality of services they want and their level of satisfaction with existing services;
- (3) Post service standards and measure results against them.
- (4) Benchmark performance against the best in business.
- (5) Survey front-line employees on barriers to, and ideas for, matching the best in business.
- (6) Provide customers with choices in both the sources of service and the means of delivery.
- (7) Make information, services and complaint systems easily accessible.

(8) Correct poor services.

(9) Handle inquiries and deliver services with courtesy.

(10) Provide pleasant surroundings for customers.

(b) Report on Customer Service Surveys. By March 8, 1994, each agency shall report on its actions in carrying out customer surveys in accordance with subsection (a)(1), (a)(2) and (a)(5) to the President's Management Council established in Section 3. As information about customer satisfaction becomes available, each agency shall use that information as a key criteria in judging the performance of agency management and in making resource allocations.

(c) Customer Service Plans. By September 8, 1994, each agency that provides significant services directly to the public shall publish a customer service plan that can be readily understood by its customers. The plan shall include initial customer service standards and describe future plans for customer surveys. It shall also identify the private and public sector standards that the agency is using initially to benchmark its performance against as the best in business. In connection with

the plan, agencies are encouraged to provide training resources for programs needed by employees who directly serve customers and by managers making use of customer survey information to promote the principles and objectives contained herein.

Section 2. Implementation of Reinventing Government

Principles. (a) Establishing Chief Operating Officers. Each Department and Agency Head shall designate a Chief Operating Officer (COO), who shall be the Deputy or another official with agency-wide authority. The COO shall report directly to the Department or Agency Head and shall be responsible for:

- (1) implementing the President's and agency head's priorities and the agency's mission;
- (2) providing overall organizational management to improve agency performance;
- (3) assisting the Secretary or Administrator to promote ongoing quality improvement, develop strategic plans and measure results;
- (4) directing ongoing reengineering of the agency's administrative processes;
- (5) overseeing agency-specific application of performance measures, procurement reforms, personnel reductions, financial management improvements, telecommunications and information technology policies, and other government-wide systems reforms adopted as a result of the recommendations of the National Performance Review; and
- (6) reforming the agency's management practices by incorporating reinventing government principles and practices into day-to-day management.

(b) Identifying Additional Reforms. The head of each Executive Department or Agency is directed to identify additional opportunities to make changes within the respective Department or Agency that will promote the principles identified in the National Performance Review and the strategic and quality

management approaches described by the "Presidential Award for Quality."

Sec. 3. President's Management Council. (a)

Establishment. There is established the President's Management Council ("The Council"). The Council shall advise and assist the President in ensuring that the Executive order and the reforms adopted as a result of the National Performance Review are implemented throughout the Executive Branch.

(b) Membership. The Council shall comprise the:

- (1) The Deputy Director For Management, Office of Management and Budget;
- (2) The Chief Operating Officers from the following agencies:
 - (A) Department of State;
 - (B) Department of the Treasury;
 - (C) Department of Defense
 - (D) Department of Justice
 - (E) Department of the Interior;
 - (F) Department of Agriculture;
 - (G) Department of Commerce
 - (H) Department of Labor
 - (I) Department of Health and Human Services;
 - (J) Department of Housing and Urban Development;
 - (K) Department of Transportation;
 - (L) Department of Energy;
 - (M) Department of Education;
 - (N) Department of Veterans Affairs;
 - (O) Environmental Protection Agency;
 - (P) National Aeronautics and Space Administration;
- (3) Heads of the following central management agencies:
 - (1) The Director of the Office of Personnel Management;
 - (2) The Administrator of the General Services Administration

- (4) Chief Operating Officers of three other Executive Branch agencies designated by the Chairperson;
- (5) The Secretary of the Cabinet; and ✓
- (6) Such other officials of Executive departments and agencies as the Chairman may, from time to time, designate.

The Deputy Director for Management of the Office of Management and Budget shall serve as Chairperson of the Council.

The Chairperson of the Council shall appoint a vice-chairperson from the Council's membership to assist the chairperson in conducting the affairs of the Council.

(c) Executive Committee. There is established an Executive Committee of the Council. Members of the Executive Committee are: The Chairperson, The Vice Chairperson, two Chief Operating Officers from the agencies, and the heads of central management agencies specified in subsection (b)(3). The President may, from time to time, designate additional members of the Council to serve on the Executive Committee.

(d) Meetings of the Council. The Chairperson shall convene regularly scheduled meetings of the Council which shall be held at least once a month. The Chairperson may also call ad hoc meetings of the Council.

(e) Responsibilities and Functions. The President's Management Council shall assist and advise the President and Vice President by acting as the implementing board for management of reinventing government reform across the Executive Branch. It shall oversee the implementation of reforms adopted as a result of the recommendations of the National Performance Review and the President's and Vice President's other reinventing government initiatives. The Council is accountable to and will report directly to the President and Vice-President.

The functions of the Council shall include, among others:

- (1) improving overall Executive Branch management, including reform of government-wide management systems, such as management controls, financial management, personnel, budgeting,

procurement, and information technology, consistent with the priorities established by the President and Cabinet;

(2) Coordinating management-related efforts to reinvent government by the Executive Branch and, as necessary, resolving specific inter-agency management issues;

(3) Ensuring the adoption of new management practices in agencies throughout the Executive Branch; and

(4) Identifying examples of, and providing mechanisms for interagency exchange of information about best management practices.

(f) Administration. (1) The Council shall be provided with appropriate staff support as may be necessary to carry out the provisions of this Order.

(2) The Director and staff of the Federal Quality Institute shall serve as a resource to the Council.

(3) The President's Management Council shall seek advice and information as appropriate from nonmember Federal agencies, particularly smaller agencies. The Council shall also consider the management reform experience of corporations, non-profit organizations, state and local governments, government employees, public sector unions, and customers of government services.

(4) All Executive departments and agencies shall cooperate with the Council and provide such assistance, information, and advice to the Council as the Council may request, to the extent permitted by law.

Sec 4. Independent Agencies. Independent agencies are requested to adhere to this order.

Sec 5. Judicial Review. This order is for the internal management of the Executive Branch and does not create any right or benefit, substantive or procedural, enforceable by a party against the United States, its agencies or instrumentalities, its employees, or any other person.

THE WHITE HOUSE,

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FROM RED TAPE TO RESULTS

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