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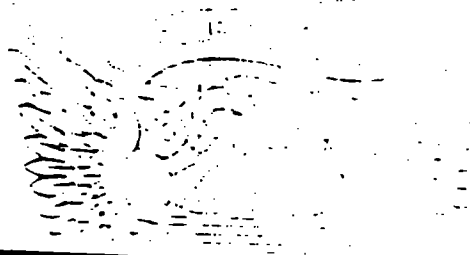
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FROM RED TAPE TO RESULTS

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CREATING A GOVERNMENT THAT WORKS BETTER & COSTS LESS



Report of
the National
Performance Review

Vice President Al Gore

July 8, 1993

MEMORANDUM

TO: DISTRIBUTION

FR: The Vice President

RE: The National Performance Review

Since March, when the President asked me to lead the National Performance Review, I have spoken with nearly everyone on the White House staff, every Cabinet Secretary and scores of others about this project. And, I have received many good ideas and suggestions. Because of the interest and support you've shown, I thought you'd be interested in an update on our work to "reinvent" government (or "RIGO," as my staff calls it). I hope you'll find the materials that follow this to be helpful and informative.

I cannot state strongly enough how important this review is to the goals of our Administration or how important it is that we work together to make it a success. I continue to look for and welcome your ideas and suggestions and I'm eager to hear about the changes you're making in your offices. Meanwhile, let me bring you up to date on our activities.

WHAT DOES 'REINVENTING' GOVERNMENT MEAN?

We talk a lot about 'reinventing' government. What we're talking about is creating a government that works better and costs less. This is about more than finding wasteful spending or inefficiencies to reduce the deficit -- though we are going to do that. As importantly, it's about changing the very culture of our government until it works like a high performance organization. We have an industrial age government trying to respond to information age challenges. We have to change that.

The National Performance Review is guided by six main principles: 1) measuring performance; 2) putting customers first and providing choices; 3) injecting competition within government; 4) making government more market-oriented; 5) empowering communities; and 6) decentralization. Our goal is to move from a government preoccupied with sustaining itself to a government focused on serving the people.

NATIONAL PERFORMANCE REVIEW TEAMS

Using workers from across the federal government and other experts experienced in this area, we've organized National Performance Review Teams to focus on each major federal agency and issues that cut across agencies. These teams are working closely with the 'Reinvention Teams' each Cabinet Secretary has established within the agencies to focus on their own reinvention plans.

The agency teams are looking agency-by-agency for ways we can cut wasteful spending and improve service and operations. The issues teams are examining areas relevant to every agency, such as procurement practices or technology, to recommend how we can make changes across the government.

Each team has been directed to look at the critical issues and programs within their agencies, to examine how and if they fit in with the their agencies' missions, then report to the National Performance Review team leaders about their findings.

We're not doing this with outside experts. We are involving experienced civil servants, most with exhaustive experience in trying to bring total quality management and other reforms to the government.

TOWN MEETINGS WITH FEDERAL WORKERS

Before we complete the National Performance Review, I intend to meet with workers at every Cabinet department. Already, here in Washington, D.C., I have talked with workers at departments and agencies in town meetings designed to solicit their ideas as well as their frustrations. I've talked with workers at Agriculture, Housing and Urban Development, Interior, Labor, State, Transportation, and Treasury, among others.

As well, I've met with workers at federal regional centers around the country in places like Atlanta, Boston, Denver, Philadelphia, and San Diego.

These meetings are invaluable as a source of ideas, information, and even inspiration. Here in Washington and all around the country are hundreds of federal workers who want to do a better job and have a very clear sense of what they need to do that.

FINDING EXAMPLES OF GOVERNMENT THAT WORKS, BUSINESSES WITH IDEAS

In addition to meeting with federal workers, I've visited with people around the country who are putting the principles behind 'reinventing' government into operation. In Miami, I visited a school that serves as a community center, providing adult education and other services to families. In St. Paul, I talked with local officials, bankers, merchants, and public benefit recipients participating in an innovative electronic benefits transfer program that uses an electronic bank card system. In Virginia, I toured Langley Air Force Base where the principles of total quality management have not only been put to work, they've become a tradition. From Kentucky, I spoke with students in 22 states participating in a sophisticated satellite-classroom program that offers students courses they wouldn't otherwise receive. In Chicago, I joined the Mayor and local police officers, firefighters, merchants and residents to visit a community that's put an effective community policing program to work.

And, I've visited or met with business leaders from around the country who have transformed their organizations into high-performing, high-profit businesses. In Texas, I met with employees and managers at Southwest Airlines, where total quality management is a commitment shared by everyone in the organization from top to bottom. In my home state of Tennessee, I met with employees and managers at the Saturn plant, recognized around the world for its innovative and profitable practices. And, here in Washington, I've met with business leaders from around the country who have made dramatic improvements in their

companies by applying the principles we're putting to work in the National Performance Review.

CREATING A GOVERNMENT THAT WORKS: PHILADELPHIA SUMMIT

On June 25, in the old Congress Hall at Independence Square, where America's government was born, we brought together experts from across the country, from business and from government, for a day-long summit on 'reinventing government.' Through four separate panels and hours of discussion, we examined how the lessons learned and applied in the private sector can be learned and applied in government, what obstacles stand in the way, why successful government 'reinvention' efforts work, and how we can change the way the federal government works through our National Performance Review.

'REINVENTING' FAMILY SERVICES

Later this summer, we'll be in Tennessee for another day-long session, this one a follow-up to a conference I conducted in Nashville last Spring that focused on how to strengthen our families by improving the services we provide. This year, in a national conference that will include experts from across the country, we will examine how we can apply the principles of 'reinventing government' to President Clinton's ongoing efforts to improve family services. For example, how can we cut through red tape, prevent duplication, and address the problems of entire families, not just individuals? These are the kinds of questions we'll examine in an effort to discover ways to improve the services of federal agencies across the country. Health and Human Services Secretary Donna Shalala and President Clinton's Domestic Policy Advisor Carol Rasco will be among those playing prominent roles.

SEPTEMBER REPORT

The National Performance Review will present its report to the President in early September. That report will provide specific recommendations for how we can make government work better and cost less immediately and long-term. And, it will provide a clear picture of the obstacles that stand in our way. We know we won't solve every problem with one report but we will be able to provide a clear picture of what needs to be done, what can be done now and what we must plan for in the future. We welcome your ideas and your input.

NATIONAL PERFORMANCE REVIEW TALKING POINTS

o The National Performance Review is about 'reinventing' government; creating a government that works better and costs less. This is about more than finding wasteful spending or inefficiencies to reduce the deficit -- though we are going to do that. As importantly, it's about changing the very culture of our government until it works like a high-performance organization. We have an industrial age government trying to respond to information age challenges. We are going to change that.

o The National Performance Review is guided by six main principles: 1) measuring performance; 2) putting customers first and providing choices; 3) injecting competition within government; 4) making government more market-oriented; 5) empowering communities; and 6) decentralization. Our goal is to move from a government preoccupied with sustaining itself to a government focused on serving the people.

o National Performance Review Teams are focusing on each major federal agency and on issues that cut across agencies. The National Performance Review is focused on how each agency works and how the government as a whole works. That's why we have teams organized around agencies AND teams organized around issues that affect every agency, such as procurement, personnel or technology. These teams are working closely with the 'Reinvention Teams' that each Cabinet Secretary has established within each agency to organize their own 'reinvention' plans.

The agency teams are looking agency-by-agency for ways we can cut wasteful spending and improve service and operations. The issues teams are examining areas relevant to every agency to recommend how we can make changes across the government.

We are relying on experienced federal workers, not outsiders. And many of those federal workers involved in the National Performance Review have exhaustive experience in trying to bring total quality management and other reforms to government.

o The National Performance Review will issue its report in September.

That report will include proposals for immediate action as well as proposals for more long-term action. Those proposals that can be enacted by Executive Order of the President will be enacted. We intend to work closely with Congress to implement other proposals that will come from the National Performance Review. We know that 'reinventing' government demands a long-term commitment. There are actions we can take today to bring about immediate change, but we also must be committed to long-term action to improve the way our government works.

o Examples of how we will 'reinvent' government already exist in Clinton-Gore initiatives.

Most recently, the President's five-point program to help communities affected by base-closings includes innovative new efforts to streamline decision-making, cut red tape, offer a more common sense approach and put more decision-making at the front lines. As well, the President's forest policy includes an economic plan that increases the involvement and decision-making of local and state officials and streamlines and focuses the delivery of federal assistance. And, the President's National Service program give local communities the ability to design programs that meet their needs. At the Office of Personnel Management, new rules to help streamline personnel policies have been proposed.

POTENTIAL Q&A:

Why will this succeed when every other effort has failed?

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. We are not bringing in outside experts to create a report to gather dust on some shelf, as has been done in the past. We are working with career federal employees who have been held back and frustrated by a system that makes their jobs harder and who have a clear idea of what has to change if we're going to make improvements and find savings. And, we're going to produce a report that offers specific recommendations and real savings -- for immediate action and over the long term. Americans want a change. Federal employees want a change. The President and Vice President are determined to make it happen.

Is it appropriate to have government employees running a review of themselves?

Outsiders have traditionally reviewed the government--remember the Grace Commission. It didn't succeed as much as everyone would have liked, in part because it did not consult with those who have to live in the system. As any modern organization improvement expert, such as Tom Peters or Edwards Deming, 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.

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

Both are needed; previous efforts only focused 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 and we expect to find 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.

How many people are working on this?

About 200 people. 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. Hundreds of people volunteered to participate and we have selected the best.

In addition to the people on the National Performance Review team each Cabinet Secretary has put together his or her own internal reinvention team.

Do you still dislike the idea of a commission to develop the final set of recommendations?

The Vice President is interested in finding the most expeditious and effective means of implementing the recommendations in the National Performance Review. We are discussing with Members of Congress the possibility of forming a commission to review the recommendations contained in the NPR report. If the Vice President and the Congress agree to pursue the Commission approach, it could provide advantages for both the Administration, Congress, and the American people in creating a government that works better and costs less.

Is this an effort to divert attention away from economic package?

Absolutely not. In fact, it speaks to the very same principles that guide the President's deficit reduction plan: creating a government that puts people first. The President's plan cuts the deficit, cuts spending, and increases investment to create jobs. We're working to close the trust deficit and restore confidence in our government by proving to the American people that we're spending their tax dollars wisely and streamlining and changing government to make it work better.

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

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.

However, we need to have clear penalties for wrongdoing. Currently, most federal attorneys will not prosecute federal thefts unless they exceed a fairly large dollar amount--in some cases \$50,000. Therefore the bureaucracy has reacted by creating rules that make it hard for anyone to buy anything. In the procurement arena, some estimates suggest

that federal purchases are 30 to 50 percent higher than need be because of requirements intended to prevent mistakes and stealing. We have to find other ways to do this for less.

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.

EXAMPLES: steam trap, lawn mowing, the telephone device for the deaf that the agency paid \$600 for that could have been bought retail for \$300, the employee who needed research books purchased but procurement took so long they came after she was finished her project.

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

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.

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

The budget system encourages waste. Line items encourage spending in low priority areas and year-end spending limits encourage spending every last dime 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?

Won't Congress, the unions, and special interests kill this?

We have been and will be 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 also have talked with union representatives 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. But we will not pander to special interests or to the lobbyists who prefer

the status quo to change.

Are you using TQM principles to redesign the government?

Yes. The basic principles of TQM are driving the review. We have some of the top award-winning TQM leaders in the federal government involved in the effort and they are bringing their skills to bear. We have created teams that are spending time with customers. The teams themselves are talking to a wide spectrum of suppliers and internal customers.

The teams are in the process of identifying the root causes of problems, identifying alternative solutions, and implementation approaches. We intend to build in continuous improvement, a customer focus, empowering employees, and an emphasis on quality in these solutions.

How much is this whole thing costing?

The costs are minimal because for the most part, we are relying on federal employees who are detailed to the National Performance Review Team. We expect the costs of the National Performance Review to be far outweighed by the savings we can accomplish.

COVER STORY

Gore tackles government inefficiency

'We will push hard' for changes
► **Clinton losing favor, 1A**

By Mark Memmott
and John Hillkirk
USA TODAY

WASHINGTON — Vice President Gore is spending more than half his time on his No. 1 goal: Trying to drag the federal government into the quality movement pioneered by U.S. companies.

In an interview Monday, Gore said he is applying lessons learned at Southwest

Airlines, Northern Telecom, General Motors' innovative Saturn subsidiary and other companies to "reinvent" the federal government. His goal: Find scores of ways to eliminate waste, treat taxpayers with respect and offer top-notch service at a reduced cost.

Gore is learning plenty in-house. As chief of a six-month audit, dubbed the National Performance Review, Gore has moved 220 federal workers into two offices in downtown Washington to lead his quality-improvement crusade. That group, along with 800 people still working within the federal agencies, has been flooded with thousands of letters and phone calls suggesting improvements.

"It's unbelievable how much waste and inefficiency there is ... and how strongly federal employees feel about fixing it," Gore said in his first interview about the review since it began nearly three months ago.

The performance review, launched March 3 by President Clinton, will sweep through every federal agency and department — looking for what works, what doesn't and how some agencies can better serve taxpayers. Gore said the review will be completed Sept. 3, as planned, and will be packed with suggested changes that Clinton could imple-

Please see COVER STORY next page ►

COVER STORY

Gore's goal: Results

Continued from 1B

ment immediately — without congressional approval. "And the changes we recommend for Congress, we will push hard. The president will put his whole weight and authority behind it," Gore promised. "It won't gather dust, I guarantee."

Asked who will lead the effort to reinvent government after Sept. 3, Gore said, "I will."

The vice president tried to distance himself from last week's flap over the firing of employees at the office that handles travel arrangements for the White House press corps. The White House fired seven workers, allegedly for mismanagement and shoddy bookkeeping.

"We were sort of arm's length from that (situation)," Gore said. "Others went about (firing people)" even if the idea of reviewing operations stemmed in part from his high-profile efforts. Regarding negative publicity, he said, "I don't have time to care about public perceptions. I'm worried about results."

Beyond the White House, Gore said there are plenty of ways to cut costs — and improve quality. To drive home that point at a speech Monday, Gore held up a small, green device called a steam trap, which takes dirt and oil out of steam lines carrying heat from a furnace. Government procurement regulations forbid replacing \$100 steam traps as they break. The reason: They want to make bulk purchases once a year, and pay \$90 a trap.

But a federal worker pointed out that when a steam trap breaks, the trap leaks \$50 worth of steam and oil a week — \$2,600 a year. So waiting to replace the leaky traps costs the government thousands of dollars each year.

Another example: If federal marshals seize a home in a drug bust, they have to maintain the property. That includes mowing the lawn. In one case, in Atlanta, marshals wanted to hire a neighborhood kid to mow a lawn for \$10. But they were forced to put the work up for competitive bids. They wound up paying \$40 for each mowing.

"Stories like this have come into my office again and again," Gore said.

Examples such as those, Gore said, underscore why the Clinton administration is bringing quality-improvement concepts to the government. But the review process won't stop at identifying waste. "Unlike the (Reagan-era) Grace Commission, we're not targeting waste, fraud and abuse," Gore said. In fact, the primary focus is on changing the culture at federal offices and giving front-line workers more power to make decisions. Gore said the review will produce:

► Mission statements. All departments and agencies will be asked to define their reason for existing and who they are meant to serve. "Some departments are already doing that as part of the (review) process," Gore said.

► "Significant" savings. Some quality consultants say Uncle Sam could save up to 25% of what it spends each year by adopting total quality management concepts. If the federal government could do that, it would save \$600 billion

over five years. Clinton has proposed spending cuts and tax increases that will save \$496 billion over five years.

Gore wouldn't discuss a savings target. "I'm going to fiercely resist putting any numerical benchmarks down" because they might "create false expectations. . . . But over time it could produce significant savings."

► Healthy competition among departments to see which can be the most efficient. "We've had two cabinet meetings" about the review commission, Gore said, "and I probably shouldn't say this publicly, but there is a kind of competition within the cabinet" to see who can do the best job at improving quality and cutting waste.

► A reduction in fear. Gore emphasizes that federal workers who report waste or abuse will not be punished.

"I give my personal guarantee and President Bill Clinton's personal guarantee that an employee of the federal government who assists us will not suffer retribution," the vice president said.

To produce such results, Gore said the performance review likely will recommend the federal government operate on six guiding principles:

► Every department and agency must measure program results, not just costs. "We measure what we put in, not what we get out," Gore told 1,000 federal workers in a Monday speech. For instance, the Reagan administration spent \$21 billion fighting the war on drugs. But it never measured the results of those efforts. The Bush administration "just poured more money down the same holes," Gore said.

► Customers — also known as taxpayers — "must be in the driver's seat." Agencies have to focus on value, efficiency and service, he said.

► There must be competition within the government. One military squadron's efficiency can be measured against another's, for example.

► The government should use its "leverage to influence positively what happens in the private sector," Gore said. In the 1930s, to help low-income and middle-income people buy homes, the government didn't give direct assistance; it created a new housing market by introducing 30-year, fixed-rate mortgages.

► Communities, not the federal government, should be given the power to solve most of their problems themselves. "Federal dollars yes, federal control no," Gore said.

► Control must be decentralized, to give federal employees the authority to make many decisions on their own. "We've got to give workers the power to make decisions as they see conditions change," he said.

Some members of Congress warn that Gore's crusade — while laudable — won't be easy.

"The Hill needs changing itself" before reform can happen, said Rep. Jim Nussle, R-Iowa. Nussle and 30 other congressmen were scheduled to host W. Edwards Deming, the world's leading authority on quality management, at a seminar Monday. Deming, 93, had to cancel because he was ill, but Nussle said he'd reschedule. "Hopefully, we can get this started in Congress so the door is at least pried open when Al Gore's (report) arrives."

The Washington Post

TUESDAY, MAY 25, 1993

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Gore Spells Out Principles Guiding Government Performance Review

Vice President Says 'Rusty and Rigid Bureaucracies' Hamper Programs

By Stephen Barr
Washington Post Staff Writer

Vice President Gore said yesterday that the government pays four times more than it should to mow lawns in Atlanta and once let a steam leak continue for months at a cost of \$2,500 to save \$10 on a replacement part—examples of wasteful practices he said the Clinton administration intends to correct through its initiative to overhaul the bureaucracy.

Speaking to about 800 federal workers crowded into the Andrew W. Mellon Auditorium on Constitution Avenue, Gore laid out the principles driving the National Performance Review, a six-month examination of how to streamline the bureaucracy, cut costs and propose ways to make government work better.

Gore said the government's "rusty and rigid bureaucracies" are failing to keep pace with the private sector in an era of rapid technological change.

"The Gap doesn't work the way Sears did. Microsoft doesn't work the way IBM did. . . . But government has preserved its outmoded ways. The quality revolution has changed the way business works. But it has, for the most part, by-

passed the federal government," Gore said.

Gore, for the first time, appeared to suggest that Washington will never be able to change fundamental programs or policies unless it also is willing to restructure the basic processes of government.

For example, he said, the welfare system worked fine when it began in the 1930s with the mandate to help widows with small children. "But the world changed. We had a massive migration of rural southern sharecroppers into the North after World War II. Living in poverty, largely uneducated, in cities that simply couldn't cope with the change or provide work, these families disintegrated.

"Did we ever change the program? Did we pay attention to creating jobs and skills," Gore asked. "No. Not really. We've just kept on handing out the checks."

Although the government provides many superb services, Gore said, "not enough is getting done. Sixty-one percent of our roads need repair. A bridge closes every two days in America. Thirty-seven million people have no health insurance . . . and millions more can't find housing they can afford."

The blame for these problems can-

not be laid solely on the \$4.2 trillion national debt or constrained program funding, Gore said. "Too many of our public systems just don't work, and money alone won't fix them. Think about it. Is there anything more foolish than spending more money for something that doesn't work?"

The vice president began his speech by holding up an orange "contraption called a steam trap." A steam trap, Gore said, takes dirt and oil out of steam lines and costs about \$100. When one wears out, it leaks about \$50 worth of steam a week.

But a federal worker was blocked from replacing a leaky trap, Gore said, because a central procurement office had been ordered to buy in bulk to save money. So the office saved up all the replacement requests "for a solid year," Gore said.

"Sure enough, at the end of the year they got a discount. They bought each \$100 trap for \$90. Saved \$10 on each one," Gore said. In the meantime, he said, the 50 weeks of lost steam cost \$2,500.

Gore said his lawn anecdote came from a meeting with federal workers, at which a member of the U.S. Marshals Service told him that procurement rules require competitive bids for lawn work on houses seized in drug raids.

"In Atlanta, where this man worked, you would hire a teenager to do it for maybe \$10 per lawn," Gore said. "Not in this government."

The Marshals Service ended up contracting "with a big company to mow all the lawns owned by the federal government in the Atlanta region—for \$40 a lawn," Gore said—noting that "kids in the neighborhood don't write bid proposals."

Gore's audience was made up of members of the National Performance Review teams, as well as teams set up in each federal agency, congressional aides and union officials. The review will be followed by a report in September recommending changes that can be made immediately by presidential order and longer-term fixes that will need approval by Congress.

Gore outlined a series of principles for the teams to follow as they seek "to change the very culture of the federal government." The principles include "performance measurement," to ensure that goals are achieved; "decentralization," which would allow front-line workers to make more decisions; and empowering communities by freeing them from subservience to Washington rules.

"Usually in government, the professionals and bureaucrats have all the control," Gore said. "The people they're supposed to serve have none. They're dependent. After we treat them as dependents for a generation, it sticks. . . .

"The president feels strongly that we've got to push money and control out of the federal bureaucracy and into the community."

Gore urges businesslike government

New concepts: service, competition, quality

By Ronald A. Taylor
THE WASHINGTON TIMES

Tasked with reviewing government operations, Vice President Al Gore yesterday said a revised government operating manual is in the works and will include terms such as "customer service," "competition" and "empowerment."

"The quality revolution changed the way business works, but the quality revolution has, for the most part, bypassed the federal government," Mr. Gore told federal workers.

According to the vice president, reversing the federal government's poor performance and even poorer image will require:

- An injection of competition in government operations.
- Empowering and encouraging lower level bureaucrats to make decisions.
- Treating the recipients of government services as a customers who need to be satisfied.

Mr. Gore's remarks were delivered near the halfway point of his assignment from President Clinton to review and "reinvent" the way government does business. He addressed workers assigned to his government review task force.

Citing previous administrations as examples of what not to do, Mr. Gore discussed the principles under which a restructured government should work, often comparing government operations to business practices.

"American business has spent much of the last 10 to 15 years reinventing itself, decentralizing, giving both responsibility and authority to employees, and then holding them accountable over time for results, finding new ways to meet their customers needs, and we've all seen what has happened," he said.

"But government has preserved its outmoded ways," Mr. Gore said.

To underscore the need to streamline the decision-making process, he cited the example of how the maintenance of houses seized during drug raids is far more costly than it should be.

Instead of paying local youngsters \$10 to cut the lawns of confiscated houses to be sold at auction, the government takes out competitive bids for the work, resulting in lawn care



Vice President Al Gore's new government manual aims for a "quality revolution."

at \$40 a house, he said.

Mr. Gore applauded the ideals behind the war on drugs begun during the Reagan administration but criticized the anti-drug effort of the last 12 years as ineffective, saying the Reagan and Bush administrations failed to measure their progress against clearly defined goals.

"We don't set goals and then measure to see if we're achieving those goals," he said.

The Bush administration "just poured more money down the same holes into which the Reagan administration had already poured \$21 billion: interdiction, investigation and prosecution," Mr. Gore said.

Anti-drug efforts by the Justice and Treasury departments "had done little more than raise the price of illegal drugs by 4 percent," he added.

Mr. Gore never mentioned the similar government-review assignments of his immediate predecessors in the vice presidency — George Bush and Dan Quayle.

Instead, he mentioned how the current government-operations approach grew out of a Korean War-era government-reorganization commission.

"The Brownlow Committee has been called the high noon of orthodoxy. It sought to model government after the highly stratified companies of the industrial age, and for more than a generation those companies were indeed useful models," the vice president noted.

Mr. Gore's remarks were drawn from weeks of private meetings and public forums in which he has collected more examples of government waste and ideas for improving the way in which tax dollars are spent.

The New York Times

MONDAY, MAY 24, 1993

We Got Mowed Down in Atlanta

By Al Gore

As Congress considers President Clinton's economic plan, the focus is on reducing the deficit, spending less and increasing investments that create jobs. But there's another deficit we're addressing as well, the trust deficit: a widespread belief Government simply can't be trusted to spend tax dollars wisely. To eliminate that credibility gap, we're working to develop a new customer-service contract with the American people that has a simple goal. We want to make the Government work better and cost less.

Since President Clinton asked me to lead the National Performance Review — a six-month comprehensive study of every Government agency — I've heard from thousands of Federal workers and private citizens.

Consider what the Federal Marshals Service of the Justice Department faced when it wanted to get the lawns mowed at houses it seized in drug cases. I heard about it from an employee of the Marshals Service in Atlanta. The department resells the houses and uses the money to finance the war on drugs. But to sell a house, you've got to keep it presentable and that means mowing the lawn. In Atlanta, they thought they'd hire a teenager for about \$10 a lawn. But procure-

ment regulations dictated that they had to do it competitively — and, of course, kids don't write bid proposals. So they had to negotiate a contract with a large firm to mow all the lawns in the Atlanta region — for \$40 a lawn.

Another Federal employee came to me with a contraption called a steam trap that's used to take dirt and oil out of steam lines. It costs about \$100. When it goes bad, it leaks about \$50 worth of steam a week. A Federal engineer wanted to replace some leaky ones. The problem was, the central procurement office had been directed to buy in quantity to save money. So the office saved up all its requests for traps for a solid year. It bought every \$100 steam trap for \$90 and saved \$10. While it waited, each leaky trap cost the taxpayers 50 weeks of steam. That came to \$2,500 — \$2,500 to save \$10.

An Interior Department employee told me how she used the frequent-flyer miles she earned on Government travel to get a free ticket for a Government trip. But the trip required that she stay over for a Saturday night. She did, staying with

saved it \$331 by giving up her Saturday in exchange for a free ticket.

In 1989, an administrator of the Alcohol, Drug Abuse and Mental Health Administration admitted to The Wall Street Journal that his agency did not even monitor the results of the \$2 billion it spent each year.

A Department of Transportation employee told me about a telephone device for the deaf that the agency purchased for her use. She could have bought it retail for \$300. The department paid \$600.

These stories demonstrate that Government has a lot of good people trapped in bad systems.

We need to move from an industrial-age Government to an information-age Government. We are working to change the very culture of our Government. We want a Government that measures performance and puts its customers first. We want to inject competition within Government and make Government more market-oriented. We want to empower communities to solve their own problems, give workers the power to make their own decisions and then hold them accountable for the results.

This fall, the National Performance Review will produce a report with specific suggestions for steps we can take immediately and for longer-term action to bring about real change. It's time we created a Government that can move on issues as small as a steam trap and as large as our future.

False economies
cost the U.S.
big bucks.

friends instead of incurring hotel costs. But when she returned the department refused to pay the extra per diem — \$38 — even though she had

Gore to seek out inefficiencies

By Bill Nichols
USA TODAY

President Clinton Wednesday vowed to wage a six-month, intensive war against government waste and inefficiency, naming Vice President Gore to head a government-wide performance review.

Clinton, carrying through on a major theme of both his campaign and the maverick bid of Ross Perot, said he hopes to move "our national bureaucracy away from complacency and entitlement toward initiative and empowerment."

But so did former presidents Ronald Reagan and Jimmy Carter. And similar efforts they organized produced few noticeable results.

And while promising to scour every federal department and program, administration officials concede that, for example, they want their proposed \$30 billion economic stimulus package to be un-

changed by this effort.

Clinton, however, promised that this review, "will not produce another report just to gather dust."

He said the effort was inspired by a 1991 review in Texas. There, Comptroller John Sharp found \$4 billion in savings in a \$30 billion budget.

Sharp will be an adviser on the review, which includes:

► Federal workers and the public will be asked to call toll-free numbers or write Gore to report waste and fraud.

► The review would draw, in a supposedly non-partisan way, from similar reviews already underway in Congress.

► No sacred cows allowed. "It's time we had a new customer service contract with the American people," said Gore.

One target, he said: "the words, 'Well, we've always done it that way.'"

But Gore, when questioned by reporters, said the administration's new spending requests



By Tim Dillon, USA TODAY

WAR ON WASTE: Vice President Gore says he's going to target the phrase, 'Well, we've always done it that way.'

would move forward without being examined by the review.

"That's mixing apples and oranges," Gore said. "We're not putting the operations of the federal government on hold while this performance review is conducted."

And while saying he would

look at "every single corner of the federal government," Gore would not release a list of White House staff and their salaries.

"That's above my pay grade," Gore said when asked to supply such a list.

Despite hailing a 25% White

House staff cut and \$24 billion in proposed administrative savings, administration officials will not release White House salaries or staffing details.

Press secretary Dee Dee Myers and communications director George Stephanopoulos have given the same answer to the question recently: "I'll have to get back to you on that."

Reagan's Private Sector Survey on Cost Control, the Grace Commission, made 2,478 recommendations to save \$424.4 billion in 1984, but few suggestions were adopted.

Carter's ambitious effort in 1978 also came up short.

Gore says this effort will be different and produce results.

"In the past we have seen an adversarial relationship between outside commissions that study the government and then confront it with a list compiled by the outside commission, and then there's a conflict," he said. "This is working from the inside out."

Gore Heads Latest Government Evaluation

Clinton Orders 'National Performance Review' to Identify What Works and What Doesn't

A-23

By Ann Devroy and Stephen Barr
Washington Post Staff Writers

President Clinton yesterday ordered a six-month "national performance review" of the federal government, vowing it would not meet the fate of similar presidential efforts that have been largely ignored.

Flanked by Vice President Gore, who will direct the review, and surrounded by members of Congress who back the "Reinventing Government" movement, Clinton said he was taking "a historic step" toward government reform. Some 100 federal managers will examine "the basic assumptions of every program" in government, he said, asking, "Does it work? Does it provide quality service? Does it encourage innovation and reward hard work?"

The major difference between Clinton's proposal and the Grace Commission put in place by President Ronald Reagan to look for waste, fraud and abuse seems to be an emphasis on direct citizen participation. The White House announced it would publicize a series of toll-free numbers for federal workers and others to report inefficiencies. Gore appealed to citizens and federal workers to write him

directly at the White House. "Address your letters, 'Reinventing Government,'" he said. A congressional subcommittee announced a computer "bulletin board" to exchange information.

The news conference announcing the effort was awash in superlatives and sound bites. "We're going to bring the quality revolution right into the federal government," Gore said. An official statement described the review as a "revolution in Washington that will change the way government does business." Gore called it "historic" and said, "I want to ask all of you to mark this date: President Clinton is starting a revolution in government right here and now."

Phil Leder, who will head the management section of the Office of Management and Budget, enthused, "We need a government that can keep pace with this president. . . . If we give this president the right engine, we really can shoot for the stars."

Complaining about ineptness and waste in the federal government is a presidential perennial. Reagan made federal government waste a centerpiece of his campaign and then appointed the Grace Commis-

sion. Many of the thousands of recommendations found little support in Congress; virtually none were adopted.

In the 1992 campaign, Ross Perot waxed rhetorically about government inefficiency, a theme he reiterated Tuesday before a congressional panel. Numerous surveys indicate that Americans hold a dim view of the federal government. Tapping into that distrust can pay political dividends.

Yesterday Leder acknowledged that "dozens of commissions have issued hundreds of reports with thousands of recommendations" on making government more efficient. The difference now, he said, is Clinton's commitment. Leder and others vowed that their effort would be real and produce results.

"There are not going to be any sacred cows," said Gore, who added that programs the administration already believes are working well, such as Head Start should be continued and improved.

"At the end of the month, we'll have real results and real proposals to offer," Gore insisted, "Write it down. Check back with us."

Senators who have proposed bipartisan commissions to streamline

the government and overhaul civil service practices said they supported Clinton's performance review but would continue their efforts.

At a news conference, Sen. William V. Roth Jr. (R-Del.) said he was "excited" about Clinton's performance review because it would begin immediately. "There is much that can be done by the executive branch itself," he said. "Much can be done to improve the performance within the agencies."

But he acknowledged that "more basic reform" requires changes that can only be accomplished through legislation. Referring to the Grace Commission, he said, "None of us wants to spend a lot of time and effort on a study that ends up as a book on the shelf."

Senate Governmental Affairs Committee Chairman John Glenn (D-Ohio) said Clinton's review "fits well" with his efforts to expand the roles of agency inspectors general and to strengthen the government's financial management.

Sens. Joseph I. Lieberman (D-Conn.) and Bob Kerrey (D-Neb.) also have a proposal for redesigning the government, and Lieberman called Clinton's review "a good first step that sets the tone."

Gore to Head Reform Panel to Wipe Out Waste

By PAUL RICHTER
TIMES STAFF WRITER

WASHINGTON—Embarking on a path that has frustrated many before him, President Clinton on Wednesday ordered a crash six-month program to find ways to cut the costs and improve the performance of the federal government.

The "national performance review," will be headed by Vice President Al Gore, and based, at least loosely, on a recent Texas budget-cutting effort.

To encourage the public's participation and support, the White House will set up toll-free telephone numbers and urge Americans to write Gore with their ideas.

"As we locate waste and wipe it out, it will be a breath of fresh air for American taxpayers," Clinton said at a morning press conference attended by congressional leaders and officials of the executive branch.

The move represents another step toward the President's often-declared campaign vow to "reinvent government" but also has a more immediate political motive: Clinton wants to convince Americans that he is serious about reducing government bloat at a time when he is asking them to pay more taxes.

While many of the details of the effort have not been fleshed out, plans call for each major federal agency to assign five to 10 officials to take part in the brainstorming. The center of the action will be at a "war room" in a yet-undetermined site in Washington.

The plan is patterned on an effort organized by Texas state Comptroller John Sharp two years ago when that state faced a huge budget deficit. Sharp brought together 100 auditors and others from 16 agencies, and they worked in isolation for five months to recommend savings worth an estimated \$4.2 billion. The Texas Legislature adopted more than 60% of the group's recommendations, for total cuts of \$2.4 billion.

Sharp was present at Wednesday's announcement and will be a consultant to the effort. Also involved will be David Osborne, whose book, "Reinventing Government," influenced Clinton on ways to change the culture and structure of the bureaucracy.

Gore declined to say how much the Administration hopes to save from the effort, but he promised that the number would be "substantial."

The Clinton economic plan envisions that \$23 billion will be cut from government costs over the next four years, including \$16 billion from a federal salary freeze and cuts of 100,000 jobs. Some critics have expressed skepticism that such savings will be realized.

Administration officials said they believe they can succeed because they will enlist government workers in the cause. Their chances of success are also improved, they said, because the White House is not facing a Congress hostile to its actions.

"In the past, most efforts to reinvent government have come from those who really wanted to slash and burn and stop government from doing anything altogether," said Bruce Reed, deputy assistant to the President for domestic policy.

Just as it took President Richard Nixon, a conservative, to make an opening to China, "the President believes it will take a Democrat who believes in government to make this work," he said.

The initiative drew mixed reviews. Some in Congress who have advocated steps to streamline government hailed it but asserted that serious government reorganization must be accompanied by congressional action to consolidate or eliminate most bureaucracies.

"This is a good first step, but I don't see it as a substitute for congressional action," said Sen. William V. Roth Jr. (R-Del.), a longtime advocate of government reorganization.

Roth is pushing legislation that would create a bipartisan commission to recommend proposals for government reorganization. His proposal would give teeth to such recommendations by providing that once they are approved by the President, they would take effect automatically in 30 days unless rejected by votes of both houses of Congress.

Tom Schatz, executive director of Citizens Against Waste, a nonpartisan watchdog group, insisted that the problem is not identifying waste but eliminating it in the face of resistant bureaucracies, interest groups and congressional committees.

Some analysts argue that in the aftermath of former presidential candidate Ross Perot's campaign for a leaner government, this may be a propitious moment to push for a sweeping reorganization of government. But in the same breath, they warn that the recent history of such efforts records one lamentable failure after another.

In the 1960s, Defense Secretary Robert S. McNamara went to the Department of Defense with a government reorganizing scheme called PPBS—planning, programming, budgeting system. The system founded before the Pentagon brass had learned the acronym.

Roy Ash, who directed the Bureau of the Budget under Nixon, headed a high-profile task force called that Ash Council. It gave the bureau a fancy new name, the Office of Management and Budget, but accomplished little else of note.

President Jimmy Carter spent enormous political capital on his effort to reorganize the bureaucracy but ran afoul of Congress.

And President Ronald Reagan appointed industrialist Peter Grace to head up a commission to root out waste, fraud, and abuse in the government. The Grace Commission generated 2,478 recommendations in a 14-volume report. Copies are now layered with dust on bookshelves throughout Washington.

GORE: Public Will Be Asked to Offer Cost-Cutting Ideas

Continued from A1

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Sen. William S. Cohen, President at news conference.

How to Report Abuses

A list of telephone numbers citizens can call with complaints of waste, abuse, fraud or neglect. Or they can write to President Clinton or Vice President Al Gore with suggestions on how to make government more efficient: 1600 Pennsylvania Ave., Washington, D.C., 20008.

Agency	Phone
Agriculture.....	1-800-424-9121
Commission on Civil Rights.....	1-800-552-6843
Commerce.....	1-800-424-5197
Defense.....	1-800-424-9098
Education.....	1-800-647-8733
Energy.....	1-800-541-1625
Environmental Protection Agency.....	1-800-424-4000
Federal Deposit Insurance Corp.....	1-800-964-3342
Federal Emergency Management Agency.....	1-800-323-8603
General Services Administration.....	1-202-501-1780
Health and Human Services.....	1-800-368-5779
Housing and Urban Development.....	1-800-347-3735
Interior.....	1-800-424-5081
Justice.....	1-800-869-4499
Labor.....	1-800-347-3756
NASA.....	1-800-424-9183
Nuclear Regulatory Commission.....	1-800-233-3497
Resolution Trust Corporation.....	1-800-833-3310
Transportation.....	1-800-424-9071
Treasury.....	1-800-359-3898
Veterans Affairs.....	1-800-488-8244

Nation/world

Clinton asks all to track down waste

By Carol Jouzaltis
Chicago Tribune

WASHINGTON—Urging citizens to call or write with suggestions on cutting waste, President Clinton on Wednesday promised to conduct an "agency by agency, program by program" review of the federal bureaucracy to reduce costs and make government more efficient.

Clinton said there would be no sacred cows or partisan politicking during an intensive six-month review of each federal program to determine if it's something the government "should simply stop doing."

But despite sweeping predictions by White House officials that the initiative would lead to revolutionary changes in government, a pledge made by virtually every new president in modern times, there already were indications that the result could fall short of a dramatic transformation.

Vice President Al Gore, who will head the "national performance review," conceded that two of the biggest items in the federal budget, the space station and superconducting supercollider, won't be re-evaluated by the White House as part of the initiative. Gore said efforts would be made, however, to find ways of trimming the projects' costs.

Budget Director Leon Panetta described the review as a process for implementing reductions previously announced by the White House rather than as an effort toward an expansive revamping of the huge bureaucracy.

In February, Clinton ordered his Cabinet officers to cut 100,000 administration jobs by the end of 1995 and reduce federal agencies' budgets by 14 percent over four years.



Vice President Al Gore (left) will head the effort to minimize waste, but Budget Director Leon Panetta is doubtful about big personnel cuts.

Panetta, whose Office of Management and Budget will be a key player in carrying out the review, indicated he wasn't optimistic that the historically intractable bureaucracy would be cut further than that, even after a thorough audit.

"I'm not saying you're going to produce a whole new level of savings beyond some of the targets we've established," Panetta said of the review. "I'd be very satisfied if [federal agencies] cut 14 percent" of their costs "and do it right."

Clinton, who was joined by 13 members of Congress in announcing the review, said the administration would work closely with Capitol Hill, which has issued scores of reports over the years suggesting reforms. He said he expected the review to produce a list of specific proposals in six months.

"We intend to redesign, to reinvent, to reinvigorate the entire national government," Clinton said.

He vowed to "challenge the basic assumptions of every program, asking, Does

it work? Does it provide quality service? Does it encourage innovation and reward hard work?"

It was Clinton's latest effort to show that fiscal belt-tightening begins at home and to fulfill his campaign pledge to streamline government.

In February the administration said it would prune the White House staff by 25 percent and lower salaries by up to 10 percent. But since then, administration officials have refused to provide specifics on the new salary figures or jobs that have been eliminated.

Clinton said that in looking for ways to weed out wasteful spending, the administration would turn first to federal employees who are on the frontlines of delivering government services.

Citizens with ideas should phone them in to any of the government's toll-free numbers or send them to Gore at the White House, he said.

Administration officials said they would consider turning some programs over to the states in order to save the federal government money, a did former President Ronald Reagan. They said they also would consider the possibility of merging some departments or contracting services out to private companies.

They said that achieving spending cuts would be a priority. But a major part of the effort would be aimed at cutting through red tape, long lines and busy signals encountered by citizens in dealing with the government.

Assisting Gore in the review will be Phil Lader, deputy budget director and a longtime friend of Clinton's who runs an annual retreat on public-policy issues.

Clinton outlines project to cut

Gore to lead effort; Sharp to advise

By Carl P. Leubsdorf

Washington Bureau of The Dallas Morning News

WASHINGTON — President Clinton on Wednesday placed Vice President Al Gore in charge of a new effort, patterned after a Texas program, to cut waste, lower costs and make the federal government more efficient.

"We intend to redesign, to reinvent, to reinvigorate the entire national government," Mr. Clinton said.

He announced that the program, similar to those instituted by some businesses, would seek suggestions from the American people, through toll-free phone numbers and written proposals, as well as from lower and middle-level government officials.

"Cutting spending will be a priority, but so is making the system work for the people who work in government and the people who pay the bills and are served by it," Mr. Clinton said.

Mr. Gore predicted "significant savings" and said, "There are not going to be any sacred cows."

He said that didn't mean he would seek to eliminate projects such as the \$10 billion Superconducting Super Collider but that he would try to make them more efficient.

In announcing the program, the president was joined by Mr. Gore, lawmakers from both parties including Sen. Bob Krueger, D-Texas, who have pushed similar proposals and Texas Comptroller John Sharp, who says the Texas effort saved \$2.4 billion the first year. Mr. Sharp will advise the federal program.

"This performance review will not produce another report, just to gather dust in some warehouse," the president said. "I am asking for a list of very specific actions we can take now, agency by agency, program by program."

Mr. Gore refused to set a specific

"I am asking for a list of very specific actions we can take now, agency by agency, program by program."

— President Clinton

dollar savings target.

In the first year, the Texas program recommended cuts of \$4.2 billion, of which about 60 percent, or \$2.4 billion, were approved by the Legislature. Much of the saving came from a one-time consolidation of several state funds and from a new law affecting accounting procedures.

Officials said they hoped to achieve much savings without congressional action.

"Whatever we can do by administrative order or executive order we will do," said White House communications director George Stephanopoulos. "If we need legislation, we will seek it, and we will seek to pass it."

Mr. Gore vowed to "take a fine-tooth comb to every single federal agency and every single federal expenditure" during the six-month effort.

"Nothing is going to be ruled off limits," he said.

But, responding to a question, Mr. Gore said that the study was designed to improve the efficiency of such projects as the Super Collider or the manned space station, which are being built in Texas.

"Where we find things that can be eliminated, yes," he said. "But in the examples you use, there are policy decisions involved which would not interfere with going forward to find savings and efficiencies while meeting those goals."

The vice president also said that the administration has started look-

ing at ways "to save significant sums of money" in the Super Collider program.

The Clinton effort is reminiscent of attempts by other new administrations to cut waste.

President Jimmy Carter instituted a "zero-based budgeting" system to tighten scrutiny of existing programs during the budget process.

President Ronald Reagan sought to cut "waste, fraud and abuse" and created a commission headed by industrialist Peter Grace that recommended saving billions, much of it by cutting popular domestic programs.

"In the past," Mr. Sharp said, "they have embarked on slash-and-burn missions" that sought program cuts that couldn't be passed by Congress.

He described the new program

as "more a weed-and-cultivate mission."

"Fat is not something that simply can be lopped off in government — it's marbled within the government," he said.

After Mr. Clinton was elected, Mr. Sharp sent a seven-page memorandum "on what we did in Texas" to domestic policy aides Al From and Bruce Reed.

Mr. Reed, now a deputy presidential assistant, said Mr. Clinton learned of the Texas program during a 1991 visit to Austin and "was very taken with the idea."

But Mr. Sharp said, "The fact of the matter is I kind of stole the idea from him."

As Arkansas governor, Mr. Clinton instituted a similar program.

The president paid special attention to Mr. Krueger, who is a candi-

date in a special election for the Senate. The president received Mr. Krueger for an Oval Office visit and noted that the senator received 200 phone calls after taking out a full-page ad in *The Washington Post* inviting the public to call a toll-free government waste hotline.

waste

Watchdog on waste: Gore invites taxpayers to identify abuses

He'll put the bite on inefficiencies

FROM OUR NEWS SERVICES

Washington — Vice President Al Gore has a new job: rooting out "waste, fraud and abuse" from the federal government. He wants to hear from you.

At a news conference Wednesday, President Clinton said he had asked Mr. Gore to supervise the six-month review, which he called "reinventing the government," adding that it is a "terribly important initiative."

"Our goal is to make the entire federal government both less expensive and more efficient," Mr. Clinton said.

Mr. Clinton didn't spell out any targets, numbers or savings goals. But Mr. Gore said he hopes to report "significant" savings in six months.

Every recent president has begun his administration by announcing a campaign against government waste.

The Reagan administration's Grace Commission delivered 2,478 recommendations in its "war on waste," but a Congressional Research Service study described the report as "disappointing to its promoters."

Mr. Clinton insisted that Mr. Gore's effort "will not produce another report just to gather dust in some warehouse."

Mr. Clinton's aides said this time will be different because the president is committed to it; it is not an investigation from the outside in but from the inside out; the American people are in the mood for it, pushed by Ross Perot; and it's not an across-the-board, slash-and-burn attack on government but an attempt to improve it.

The president released toll-free phone numbers for 21 federal

agencies and invited people to call with complaints of waste, abuse, fraud or neglect.

Mr. Gore invited taxpayers to write him with their ideas. But it's not clear who will process the letters; the White House already gets 40,000 a day.

Mr. Clinton said Mr. Gore is setting up a "war room," just like first lady Hillary Clinton's war room on health-care reform and the one in Little Rock, Ark.,

where ideas for Mr. Clinton's presidential campaign were hatched.

To show bipartisan support, Mr. Clinton arranged for an array of Republican and Democratic lawmakers from Capitol Hill to be his backdrop at the news conference. With them was Texas Comptroller John Sharp, who undertook a similar review job in Texas.

"What we found is that there are just a ton of inefficiencies that are there because a bunch of special-interest groups want

them," Mr. Sharp said.

He compared Mr. Gore's mission to shining a light into a cockroach-infested room. The roaches — special interests — skitter out of sight, he said.

Mr. Sharp said success will be judged if government employees are working 18-hour days six months from now and are "the most enthusiastic bunch of people you'll ever seen."

Clinton dispatches Gore to find fat

Free Press Washington Staff

WASHINGTON — President Bill Clinton on Wednesday put Vice President Al Gore in charge of a six-month audit of all federal agencies to save money and boost service efficiency.

Gore said the project has a six-month deadline. "Judge us by the results," he said. Ideas will be collected from federal employees, experts from private business and top federal managers, as well as the public.

Gore and Clinton invited the public to call any one of 21 new toll-free phone numbers or to write to the vice president at 1600 Pennsylvania Ave., NW, Washington D.C., 20006.

Clinton said Wednesday that the effort could work. "When I was governor of Arkansas, our state became the first in the nation to institute a government-wide total quality management program, and I can tell you, it works. It isn't easy. It isn't quick. It can make a huge difference."



KRT

Vice President Al Gore was given six months for an audit of all federal agencies.

► HOW TO REPORT GOVERNMENT WASTE

Want to complain or report waste, abuse, fraud or neglect in federal government? Here are the numbers:

- Agriculture: 1-800-424-9121.
- Commission on Civil Rights: 1-800-552-6843.
- Commerce: 1-800-424-5197
- Defense: 1-800-424-9098
- Education: 1-800-647-8733
- Energy: 1-800-541-1625
- Environmental Protection Agency: 1-800-424-4000
- Federal Deposit Insurance Corp.: 1-800-964-3342
- Federal Emergency Management Agency: 1-800-323-8603
- General Services Administration: 1-202-501-1780
- Health and Human Services: 1-800-368-5779
- Housing and Urban Development: 1-800-347-3735
- Interior: 1-800-424-5081
- Justice: 1-800-869-4499
- Labor: 1-800-347-3756
- NASA: 1-800-424-9183
- Nuclear Regulatory Commission: 1-800-233-3497
- Resolution Trust Corp.: 1-800-833-3310
- Transportation: 1-800-424-9071
- Treasury: 1-800-359-3898
- Veterans Affairs: 1-800-488-8244

U.S. Rep. John Conyers, D-Mich., has set up a computer bulletin board for people to send in their suggestions. The phone number is 1-202-225-5527. The technical settings are 8 data bits, no parity, 1 stop bit (8-N-1). The board supports file transfers using ASCII, Xmodem, CRC Xmodem and Ymodem protocols.

No more government-as-usual

Public distrust is producing a hydraulic pressure for cutting government, and voters will keep pushing until they get real results. Democrats—who represent the party of government—may control the White House and Congress, but voters in a February ABC News-Washington Post poll said they favor a smaller government and fewer services by a 67 percent to 30 percent margin over a larger government with many services. That is a sharp increase in antigovernment sentiment from the 49 percent to 43 percent spread in 1984. The Clinton administration, which did not see this hostility as clearly as legislators did, had to scale back spending to please House Democrats and saw its stimulus package blocked by Senate Republicans.

Americans want government reformed, as other major institutions have been reformed over the past 15 years. The military, in shambles in the mid-'70s, remade itself splendidly. The U.S. auto and steel industries transformed themselves from high-cost, low-quality producers in the late 1970s to industries competitive in cost and quality, though with work forces literally cut in half. Recent headlines have been screaming the job cuts at other U.S. industrial giants—50,000 at Sears, 25,000 at IBM, 25,000 at Boeing, 10,000 at Pratt & Whitney. In the political sphere, the same pressures apply, and Bill Clinton will find himself pressed to make more cuts in the federal work force than the 100,000 he promised during the campaign to cut through attrition.

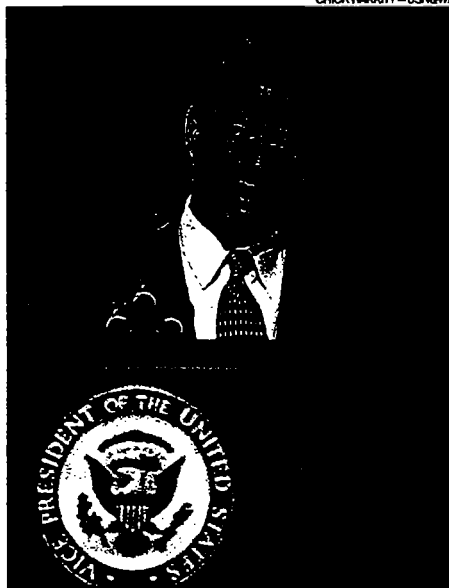
Watch the governors. If President Clinton and Vice President Al Gore, who is in charge of the administration's massive review of government agencies, want to take advantage of the political currents, they should take heed of the recent experience of governors: Those who cut spending and the size of the government work force are doing well; those who raised taxes and did not seriously slash public job rolls are in trouble. Massachusetts Gov. William Weld cut spending 1.5 percent in 1991 and now has a 52 percent favorable rating in a heavily Democratic state; South Carolina Gov. Carroll Campbell cut spending 4 percent in 1992 and had a positive job rating from 68 percent of voters, the highest in the South. Both were forced to act by events: Weld by a state bond rating falling to Third World levels, Campbell by a court order. But both found they could make real cuts without imposing great pain. "For 30 days, they all said things would be terrible," says Campbell, "and then I didn't hear any more of it." To avoid cuts in popular services, Weld told his appointees

that it was their job to manage the cuts smartly and that anyone who wanted to come in and argue for more money "should bring with him a signed copy of his resignation." Florida Gov. Lawton Chiles, in contrast, while pushing for some significant government reforms, has been pressing constantly for increased taxes and had a positive rating from only 23 percent of voters, one of the lowest in the country. That suggests that voters want better government before they will ante up more money, not after.

Clinton seems to understand this, although his budget proposals and other policy stances do not yet show how serious he is about meeting his promise to organize a "revolution in government." He has given the vice president six months to complete a "National Performance Review," modeled on Texas Controller John Sharp's popular and hugely successful audit of his state's government. And Gore got off to an impressive start by hiring the Progressive Policy Institute's Elaine Kamarck; Sharp aide Billy Hamilton; David Osborne, co-author of "Reinventing Government," and Robert Stone, a career Defense Department manager whose work Osborne cites. All this, Gore says, is focused "not just on cutting wasteful spending but also on improving services and making our government work better. We want major savings, major reforms and major innovations." The new head of the Office of Personnel Management, James King, is also working to redesign how the civil service works. "Most want to be responsive," he says of federal employees. But there have to be changes in incentives and accountability—old rigid rules have to be

dropped, and managers have to be given more flexibility to achieve goals, with greater rewards when they do and penalties when they don't. King concedes that changes in law may be necessary. "I got a sense of bipartisan cooperation when I went on the Hill," he says.

Clinton's political problem now is that these reform efforts are not nearly as visible as his tax increases and bigger-government programs. The president's health care reforms, which will include major tax increases and more government intervention in the economy, could add to the perception that he is more of a partisan for big government than an advocate for government reform. The Clintonites' ideas for changing government are serious and attractive, and the people involved are able and committed. But they have a daunting task in matching the president's policy visions with the public demand for serious reform and fewer public employees. ■



'We want major savings, major reforms and major innovations.'

FEDERAL TIMES

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You Are the Key to Reinventing Government

Vice President Al Gore sent this special message to Federal Times for federal employees during Public Service Recognition Week.

In the 1980s, American business went through a dramatic and bold change in the way it operated. Across the country, the business pyramid was turned upside down.

Instead of making decisions solely at the top, managers considered input from every level of their organizations. And they decided that what the customer wanted was what they wanted, too.

In the beginning, there were naysayers who claimed that this type of approach wouldn't work. Decisions should be made at the highest levels only, and if those decisions didn't increase profits immediately, then they weren't right.

But over time, what's known as total quality management swept the most successful American businesses and not only met expectations, but exceeded them.

The president and I believe that some of the same lessons business learned in the 1980s can be applied to the federal government now. Just as American business "reinvented" itself to be more productive and responsive a decade ago, so can the federal government.

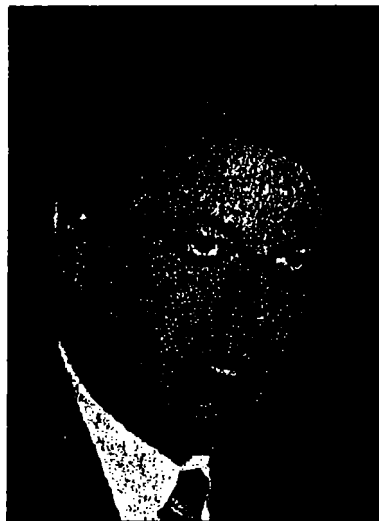
After all, American taxpayers are the customers of the federal government. And federal employees know better than any of us that the government could be working harder and smarter for the American people.

On March 3, the president announced a six-month National Performance Review of the entire federal government. He appointed me to oversee that effort.

Our mission: to "reinvent" a government that puts people first by serving its customers, empowering its employees, fostering excellence and dedicating itself to making sure that the taxpayers get maximum value for their tax dollars.

To accomplish this objective, the National Performance Review will be asking some important questions:

- What kind of federal government would we like to see by the beginning of the 21st century?
- What are the barriers that prevent us from achieving those goals at present?



'Employees at the front lines know how to make government work, if someone will listen.'

Vice President Al Gore

- What changes can we make to overcome those barriers?
- What and where is the federal government doing things right and providing the taxpayers with real value for their tax dollars?

We need your help as federal employees in answering these questions. I have met some of you in Washington, D.C., and across the country, and I know that it's you — the employees on the front lines — who know best how to do your jobs better, work more efficiently, and save money in the process.

In our effort to reinvent government, five principles will guide this revolution. The first is that before we ask ordinary Americans to do more, government must learn to make do with less. It is time to demonstrate

that government can be as frugal as any household in America.

Our second goal is to improve services and expand opportunity, not bureaucracy.

Over the past decade, America's most successful companies restructured themselves to meet the global competition by eliminating unnecessary layers of management, putting more power in the hands of front-line workers, and finding out what their customers want — and then delivering it.

Third, government will succeed only if it listens to its customers, the American people. We need to make government customer friendly — by giving people more choices, better services, and a bigger say.

Fourth, the federal government has to empower states and localities to help themselves and their citizens. Government should not stand in the way of creative, grass-roots innovation.

And finally, this revolution in government must come from within. No one is more frustrated by the bureaucracy than the workers who deal with it every day and know better than anyone how to fix it. Employees at the front lines know how to make government work, if someone will listen.

To this end, the National Performance Review is not being conducted by a group of outsiders who have been brought in to tell federal workers how to do their jobs. The majority of those involved in the review will be federal employees such as yourselves working with task force team members.

With your help, we will instill a new spirit of responsibility and innovation into every level of the federal government. We will revolutionize the way government works, encourage new and innovative ways of doing business.

For example, we have asked each Cabinet secretary and the heads of major government agencies to create a team within their agencies to work with National Performance Review team members to prepare both short- and long-term agendas for change in their departments.

We will put more than 100 managers, auditors, and front-line employees from across the government to work on specific recommendations for improving services and cutting waste.

They will evaluate the efficiency of every

federal program and service, identify specific spending cuts in federal programs and services that don't work anymore or no longer advance the mission they were intended to serve, and recommend ways to streamline the bureaucracy by eliminating unnecessary layers of management and reducing duplication of effort.

Most importantly, they will ask federal workers and the American people to send to the National Performance Review specific suggestions on how to improve services and cut bureaucratic waste.

At the end of the summer, the National Performance Review will report to the president. Our report will include a description of the government we would like to have and an analysis of the barriers that stand in our way.

We will set forth a series of specific recommendations to reduce waste and make our government more effective, more efficient, and more responsive. These will include recommendations that identify specific cuts, user-friendly improvements to government operations and savings resulting from our reinventing efforts.

Some recommendations will address the systems that affect nearly all federal programs, while others, generated in full cooperation with Cabinet secretaries and agency heads, will deal specifically with the operations of a particular agency.

I ask for your help and your input. Think boldly, broadly and creatively. Think big. We want major savings, major reforms and major innovations. And we want your suggestions.

How can we clarify agency missions? Would thinning out layers of bureaucracy improve managers' ability to serve their customers? How can we bring the information age that has so transformed our private sector to the public sector?

These are but a small sample of the questions which I hope you and your counterparts throughout government will ask in the coming months. Our work will make a difference.

It's a challenge we'll meet together. Putting people first is a principle that President Clinton is translating into policy. We join him in that effort. I look forward to working with you.

Cut red tape, public workers tell Gore

By Adam Pertman
GLOBE STAFF

To more than 700 city, state and federal employees filling Faneuil Hall yesterday afternoon, Vice President Al Gore posed this question: Who among you has seen a good idea die because it couldn't work its way through the government bureaucracy?

Hands shot up all over the room, but his answer really came in another form: Just about everyone laughed.

"We need bottom-up thinking, but you're going to have to make it happen," one man in the audience told the visiting vice president, in discussing improved government operations. "At the base of the pyramid, that's where most of the brains are."

Speaking over another wave of laughter, Gore agreed. Indeed, he

explained, that was why he had come to Boston: to hear lower-level workers explain how they would grease the gears of governmental machinery so they would run more efficiently and less expensively. Though many of those present were hesitant to speak out, out of apparent concern that they might anger supervisors, Gore nevertheless got an earful.

He has been traveling the country for months in his capacity as head of President Clinton's National Performance Review, which is scheduled to deliver recommendations in September on the ambitious goal of "reinventing government."

The intent is to get ideas about what kinds of changes the administration might want to make.

Boston was chosen as a site for two principal reasons, Gore aides said. It is among the relatively few cities in which regional federal of-

fices are located. It is also the home of the Boston Management Consortium, a joint venture between the local government and businesses designed to make the public sector operate better.

Gore, who also attended a meeting of Harvard overseers at his alma mater last night, said several times that government at all levels has a lot to learn from the way businesses operate.

Though the format Gore followed was essentially a town meeting, with him standing in the center of the room at a microphone, he asked the questions of audience members rather than the other way around.

He wanted specific examples of how federal rules blocked progress rather than fostered it, for instance, and he asked whether some departments were told to spend money remaining in their budgets "on any-

thing" at the end of fiscal years rather than see the funds returned to the US Treasury. The answer was yes.

"We need to get rid of some of them," said Liz Gordon, referring to what virtually every speaker, and Gore, agreed were excessive regulations that hamper the efficient use of money and people. Gordon is service center director for the Boston office of the Office of Personnel Management.

Probably the most pointed example of that phenomenon was offered by a man, who did not identify himself, who said he had wanted to spread the news of Gore's visit to more of the public after learning he was coming a day earlier. But federal regulations for notices to 10 or more people require analyses, statistical samples and publication in the Federal Register.



GLOBE STAFF PHOTO / MICHELE McDONALD

Vice President Al Gore mingles with Quincy Market visitors after holding a meeting with federal workers at nearby Faneuil Hall.

**THE WHITE HOUSE
OFFICE OF THE VICE PRESIDENT**

**FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 3, 1993**

Contact: Marla Romash
202-456-7034
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**A REVOLUTION IN GOVERNMENT
Statement of
VICE PRESIDENT AL GORE**

Mark this date: President Clinton is starting a revolution in government. It won't happen overnight, and it won't be easy, but it will fundamentally change the way our government works -- for the people it serves and the people it employs.

President Clinton believes strongly in the urgency and importance of this change and so do I. For me, leading this effort represents a challenge I sought and a commitment we share to make our government work better, harder, and smarter for the American people.

Our announcement today is revolutionary, but it shouldn't be surprising. President Clinton is offering the American people a bold and dramatic initiative for our economy -- to create jobs, sustain growth, and reduce the deficit. President Clinton started the change where it has to start, with the government. The President has reorganized the White House, told his cabinet to park the limos, pare the perks and cut the bureaucracy by 100,000 positions. And, he's ordered a 14 percent reduction in administrative costs. All together, that's \$16 billion in savings.

But this is about more than just cutting spending, or taking out the green eye-shades and sharpening the pencils. Today, we are starting what will be a continuous and vigilant process to make government work better -- to use every tax dollar wisely, to weed out dead ideas and encourage new, creative ways, and -- to borrow a phrase I've heard once or twice before -- to put people first.

Today, President Clinton is making sure that government knows what every business knows -- the customer comes first and, if you can't serve your customers efficiently, effectively, and responsively, then you're not doing your job. Business people know about the quality revolution -- it's changed the way they do business and it's kept them in business. The President's chief of staff, Mack McClarty, knows that from his experience leading a Fortune 500 company and he's putting that experience leading a here. Now, America has a chief executive in President Clinton who knows it's time for a quality revolution in government -- a revolution aimed at changing the way government works.

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 cut the red tape and trimmed the bureaucracy. It's time we took out of our vocabulary, the words, "We've always done it this way." And, it's time we listened to the people who work for our government. The greatest untapped resource we have is their ingenuity, their brainpower, and their experience.

To every government worker, to every American citizen, we are today issuing a challenge and an invitation: help us get rid of the waste and the inefficiency, help us get rid of the bureaucracy, let us know when you spot a problem and tell us when you've got an idea. We want to hear from you. If you spot waste or fraud or abuse, call one of the 800 numbers located throughout the government and let us know. If you have an idea of how we can do a better job or spot a problem that needs fixing, write to me here at the White House and mark your envelope "Reinventing Government." We are determined to work with you to make our government work better.

That's the idea behind the National Performance Review the President is announcing today. For the next six months, we will take a fine-tooth comb to every federal agency and every federal expenditure in an unprecedented nationwide review focused not just on cutting wasteful spending but also on improving services and making our government work better. We will work in a close partnership with the cabinet secretaries and agency administrators all across the government. We will consult closely with the appropriate Congressional committees, and with the members here today whose leadership has been so important on these issues.

At the end of six months, we will have real results and real proposals to offer. We don't need another report to put on the shelf to collect dust. We do need a real plan for action and that's what we're after. But we won't stop there. We didn't get into this hole overnight and we won't climb out overnight. But, when we do climb out, we will have the kind of government we want, and it's going to be moving forward, finding new and better ways to work for the American people.

So, today, I applaud President Clinton for his leadership and pledge to him, to every federal worker and to every American citizen that the fundamental changes we're after will be found, that together we can create a government that responds to the people it's supposed to serve, that we can create a government that works smarter for less, that we can create a government that moves forward instead of dragging us back, with a vision that embraces change and offers progress.

#####

A REVOLUTION IN GOVERNMENT

"The people demand and deserve an active government on their side. But they don't want a government that wastes money, a government that costs more and does less. They voted for change. They wanted a literal revolution in the way government operates, and now, you and I must deliver."

President Bill Clinton
Remarks to the Cabinet
February 10, 1993

Today, the President has asked Vice-President Gore to lead a revolution in Washington that will change the way government does business. The American people deserve a government that treats them like customers and puts them in charge -- by providing more choices, better services, less bureaucracy, and a good return on their investment.

Four principles will guide this revolution in government:

- 1. Before we ask ordinary Americans to do more, government must learn to make do with less.** It is time to demonstrate that government can be as frugal as any household in America.
- 2. Our goal is to improve services and expand opportunity, not bureaucracy.** Over the past decade, America's most successful companies restructured themselves to meet the global competition by eliminating unnecessary layers of management, putting more power in the hands of front-line workers, and finding out what their customers want -- and then delivering it. The federal government must finally undertake the same searing re-examination of its mission that companies go through every year just to survive.
- 3. Government will only succeed if it listens to its customers, the American people.** We need to make government customer-friendly -- by giving people more choices, better services, and a bigger say in how their government works.
- 4. This revolution in government must come from within.** No one is more frustrated by the bureaucracy than the workers who deal with it every day and know better than anyone how to fix it. Employees at the front lines know how to make government work if someone will listen.

THE NATIONAL PERFORMANCE REVIEW

It is not enough just to cut government -- we need to rethink the way government works. We need to reexamine every dollar of the taxpayers' money that government spends, and every minute of time the government puts in on business. The hard-working people who pay the bill for government year in and year out have a right to know they're getting their money's worth.

For the next six months, under the Vice President's direction, experts from every Cabinet department will carry out a nationwide review of every government program and service. The National Performance Review will enlist front-line federal workers and the general public in a nationwide search for ways not only to cut wasteful spending, but to improve services and make government work better.

The National Performance Review is designed to instill a new spirit of responsibility and innovation into every department. It will challenge the basic assumptions of every federal program, by asking the hard questions that government has dodged for too long:

- * Does the program work?
- * Does it waste taxpayer dollars?
- * Does it provide quality customer service?
- * Does it encourage government innovation and reward hard work?
- * Finally, if the answer to these questions is no, can the program be fixed -- or is it no longer needed?

The National Performance Review will put more than 100 managers, auditors, and front-line employees from across the government to work on specific recommendations for improving services and cutting waste. They will:

- * evaluate the efficiency of every federal program and service;
- * identify specific spending cuts in federal programs and services that don't work anymore, or no longer advance the mission they were intended to serve;
- * recommend ways to streamline the bureaucracy by eliminating unnecessary layers of management and reducing duplication of effort;
- * ask federal workers and the American people to send the Vice President specific suggestions on how to improve services and cut bureaucratic waste; and

*** find ways to improve services by making better use of new information technology, and by making government programs more responsive to the customers they serve.**

This Review will not produce another report -- Washington has had too many reports and not enough action. The National Performance Review will present the President with a list of specific recommendations for action -- program by program and agency by agency.

The Texas Model

The National Performance Review is patterned after an innovative and highly successful program pioneered by Texas Governor Ann Richards and Comptroller John Sharp. Two years ago, facing a \$4.6 billion budget shortfall, the Legislature asked Sharp to conduct a sweeping review of every aspect of Texas state government. A team of 100 auditors from 16 state agencies worked around the clock for five months -- conducting hundreds of interviews with front-line workers and fielding thousands of calls from taxpayers.

The Texas Performance Review presented recommendations for savings of \$4.2 billion. The Legislature adopted more than 60% of the Review's recommendations, saving a total of \$2.4 billion. A second review this past year proposed recommendations on how to save \$4.5 billion more.

THE CLINTON RECORD ON STREAMLINING GOVERNMENT

"It is time for government to demonstrate in the condition we're in that we can be as frugal as any household in America."

President Bill Clinton
Address to Joint Session of Congress
February 17, 1993

Change Starts at the Top

* As he had promised, President Clinton reorganized the White House and cut staff by 25% below the level at which he found it -- a reduction of 350 positions -- and cut senior staff pay by 6-10%. Together, these reductions will save \$10 million a year and make the White House more efficient.

- * Shortly after he took office, the President took executive action to:
 - * Reduce the federal bureaucracy by at least 100,000 positions;
 - * Require agencies to itemize administrative costs, and reduce them by 14% over four years;
 - * Eliminate at least one-third of the more than 700 non-statutory federal advisory commissions;
 - * Cut the Executive Vehicle Fleet by 50%, close executive dining rooms that don't recover costs, and tighten controls on the use of executive aircraft and home-to-office limousine service.

* Under the Administration's economic plan, there will be no national pay increase for federal employees in 1994, and increases will be one percent less than current law for each of the three years after that.

**** Taken together, the measures to streamline the federal bureaucracy, cut administrative costs, and reduce federal pay increases will save more than \$23 billion over four years.***

A Detailed Economic Plan of Investment and Serious Deficit Reduction

* President Clinton's 145-page, detailed Vision of Change for America offers a new way of governing. The President's plan includes serious and credible deficit reduction and a long-term plan to get our economy back on track without the "smoke and mirrors" of the past 12 years.

* The package calls for 150 specific domestic savings, as well as a long-term plan to invest in America and an immediate stimulus package to jumpstart the economy and create jobs to get America working again.

**Remarks of
Vice-President Al Gore
May 24, 1993
Washington, DC**

Mark Twain once wrote about a sermon that began so well that as he listened he vowed to put \$20 in the collection plate. After ten minutes he upped it to \$50. After a half hour he cut back to \$10 -- and by the time the plate came around he stole \$5 from it.

No collection plate, today. But I hope your applause and your enthusiasm is as strong when I'm done because together, we face an urgent and important responsibility.

We're going to talk today about some big ideas. But I want to start with something small. In fact, it's so small I can hold it in the palm of my hand.

It's a contraption called a steam trap. I've had this one in my office ever since a federal employee brought it to me because he was so fed up with the system under which he had to work.

This steam trap takes dirt and oil out of steam lines. It costs about \$100. When it goes bad, it begins to leak. It leaks about \$50 worth of steam each week.

The man who brought it to me had uncovered some leaky ones and wanted to replace them.

The problem was, the central procurement office had been directed to buy in quantity to save money. To do that, they saved up all their requests for leaky steam traps. In fact, they saved them for a solid year.

Sure enough, they got a discount. They bought each \$100 trap for \$90. Saved ten bucks.

In the meantime, though, how much did each leaky trap cost the taxpayers?

That's right. 50 weeks of steam. \$2500.

\$2500 to save ten dollars.

Is that an isolated case of government inefficiency?

Not according to one man who stood up at a meeting of federal employees a while back.

"I work for the marshals service of the Justice Department," he told me.

The marshals seize the property of drug dealers. For example, if they seize a load of drugs in the dealer's house, they can confiscate his house. The Justice Department then resells these houses, using the money to help finance the war against drugs.

Of course, in order to sell these houses you have to keep them presentable. That means mowing the lawns.

How would you keep those lawns mowed? Well, in Atlanta, where this man worked, you would hire a teenager to do it for about ten bucks a lawn.

Not in this government.

"Procurement," said this worker, "told us that the marshals had to do this competitively. Kids don't write proposals." So they eventually had to contract with a firm to mow all the lawns in the Atlanta region -- for \$40 a lawn.

Stories like this have come in to my office again and again -- from frustrated federal workers and from the growing number of people doing excellent work analyzing the way government operates.

Their work makes it clear that the anecdotal evidence is true: that too much of the federal government is -- in David Osborne's phrase -- "approaching paralysis."

Does this mean nothing gets done? Of course not. Each minute in the federal government workers are doing useful things. Rebuilding roads. Researching cancer.

Investigating a homicide or a kidnapping.

But not enough is getting done. 61% of our roads need repair. A bridge closes every two days in America. 37 million people have no health insurance -- and millions more have seen their benefits cut. Ten million people eager to work can't find jobs, and millions more can't find housing they can afford.

Bureaucracy and red-tape frustrate the American people and the government workers who serve them, feeding a cynicism and anger that's real.

We can't even pay our bills. Over the last twelve years we ran up more debt than all the Presidents from George Washington to Jimmy Carter combined. The approach of the last two administrations reminded me of this t-shirt I saw once: "I can't be broke -- I've still got checks."

But even if we could pay all our bills, things wouldn't be right. Too many of our public systems just don't work, and money alone won't fix them.

Think about it. Is there anything more foolish than spending more money for something that doesn't work?

It's not that the people working in government are bad people. They're not. It's not that government is inherently incompetent. It's not. It's that these systems and programs are out of date.

They worked once. But times have changed.

In the 1930s, in the 1940s, in the 1950s and in the 1960s, we created large, top-down, centralized bureaucracies to do the public's business. Not only were they slow, cumbersome and unresponsive -- most of them were monopolies. As we all know, in today's world of rapid change, lightning-quick information technologies, tough global competition and demanding customers, large, lumbering, top-down monopolies -- public or private -- don't work very well.

But we're still using them. We're still trying to get an ocean liner to behave like a sleek, quick, and agile sailboat. It's impossible. The Queen Elizabeth won't turn on a dime.

But while the evidence of this failure to evolve and adapt is there for all to see, for too long the basic functioning of government has gone unexamined.

Think about our welfare system. It worked fine when Franklin Roosevelt created it in the 1930s. It was designed to help women who were widowed with children. But the world changed. We had a massive migration of rural southern sharecroppers into the north after World War II. Living in poverty, largely uneducated, in cities that simply couldn't cope with the change or provide work, these families disintegrated.

Did we ever change the program? Did we pay attention to creating jobs and skills? No. Not really. We've just kept on handing out the checks.

Think about our civil service system.

It was terrific when it was invented. It accomplished its mission. It controlled political patronage and arbitrary political firings. But that was in 1883. Do you think we should allow a personnel system designed for the 19th Century to take us into the 21st Century?

And while some of it still protects workers, can you imagine top managers in business having their hands tied when they want to reward their best employees for doing a good job? Or blocked by complicated rules when they want promote somebody -- and unable to give bonuses for superior performance?

Can you imagine top managers in business having to wait a year to fire an employee who's doing a terrible job? At the Interior Department last week, I asked 500 employees if it's currently too difficult to terminate someone for good cause and 90% of them raised their hands to say, "Yes."

And what about budget systems? We use a budget system that encourages managers to waste money. That's right -- we encourage people to waste lots of money. All of us here know what we mean by the phrase, "spend it or lose it." It means if you don't spend every penny of every line item every year, you have to give it back. Have any of you ever worked in an agency or office pushed by that rule? What if business worked that way? Or your household?

Imagine a business that couldn't move money from its equipment budget to personnel. Or one with 450 job classifications. Or one not allowed to buy what it needs, when it's needed, at the best price.

This isn't a partisan thing.

You know, the late Senator Hayakawa from California used to describe the two parties this way. A Republican (he said) sees a drowning man fifty feet from shore, throws him a twenty foot rope and tells him swimming the thirty feet is good for his character. A Democrat would throw him a 100 foot rope -- then walk away looking for other good deeds.

The fact is, there's plenty of blame to go around. Both parties have been part of the problem. And both parties must help meet the challenge before us today: to create a government for the Twenty-First century.

President Clinton is moving to meet that challenge, providing the bold and creative leadership it demands, showing the courage to take risks and the willingness to innovate.

We've all had enough experience listening to people talk about what's wrong with government. And we've seen what happens when all we get is a lecture. Nothing happens. Nothing changes. The only winners are the cynics. It's time the American people were the winners and talk turned to action.

President Clinton and I are determined to get results. We want to change and improve the way our government works. It'll make your jobs -- and ours -- easier, and it will provide the American people better value and service for their tax dollars.

We've already started. The President started at the White House, cutting his own staff by 25 percent and making it clear that the days of perks and privileges are over. He's ordered \$16 billion in administrative savings.

He's pared the bureaucracy. He's parked the limos.

You're here because you're part of teams within your agencies dedicated to this effort; teams created because the President directed his Cabinet to move forward and take action within every agency.

We're working to reform the welfare system and the First Lady is leading an historic effort to reform our health care system.

We are determined to move from industrial age government to information age government ... from a government preoccupied with sustaining itself to a government clearly focused on serving the people.

It will not be easy. Change rarely is. It demands a shared commitment and a cooperative effort.

After all, nowhere is it written that the government can't be thrifty, or flexible -- or even creative and competitive. All over our country local and state governments, faced with the same kinds of fiscal constraints as the federal government, are making changes. It's time the federal government paid attention.

We need a federal government that delivers more for less.

We need a federal government that treats its taxpayers as if they were customers and treats taxpayer dollars with respect for the sweat and sacrifice that earned them.

We need a government that can respond quickly and efficiently to today's challenges instead of rusting and rigid bureaucracies still running on yesterday's clock. We must

undergo a change in the way we do business as profound -- and for some, as difficult -- as the transformation from typewriter to computer.

Now, I don't want to pretend that this administration is the first to see the need to reorganize government.

In fact, listen to this message to Congress:

"The time has come to set our house in order. The administrative management of the Government needs overhauling. The executive structure of the Government is sadly out of date. If we have faith in our republican form of government we must devote ourselves energetically and courageously to the task of making that Government efficient."

That was President Roosevelt, in 1937. And the result of that message was the Brownlow Committee and -- later -- the First Hoover Commission which carried out so many of the Brownlow Committee recommendations. Any of you who majored in Public Administration know that.

The Brownlow Committee has been called the "high noon of orthodoxy." It sought to model government after the highly stratified companies of the Industrial Age.

And for more than a generation, those companies were useful models.

But American business recognized when they got rusty. It has spent much of the last ten years reinventing itself. Decentralizing. Giving both responsibility and authority to employees and then holding them accountable over time for results. Finding new ways to meet their customers' needs.

The Gap doesn't work the way Sears did. Microsoft doesn't work the way IBM did. These new businesses talk about an 18-month product cycle -- way too short a time to pass decisions up and down an elaborate, heirarchical chain of command.

But government has preserved its outmoded ways. The quality revolution has changed the way business works. But it has -- for the most part -- by-passed the federal government.

Employees tried to bring it in, but with a few notable exceptions, it hasn't yet taken hold.

That's why government can't keep up. That's why government can't buy steam traps when it needs to. That's why it pays four times as much as it should to mow lawns.

Can we afford to do nothing?

Well, the other day, at a Town Hall meeting about these problems, an IRS worker got up and told me, "If you always do what you always did, you'll always get what you always got."

The President doesn't want that. Neither do I.

And that is why he has asked me to conduct a thorough National Performance Review, an examination of how government works -- and can work better, and more efficiently. How taxpayers' dollars can be used wisely and well.

It will take six months to complete our review. But the spirit of change, of innovation, of renewed purpose and shared goals -- the commitment to provide high quality, low cost service to the American people -- will operate as long as this Administration remains in office. And the people who will make it work, who will sustain the change and the spirit, are those of us in this room.

You know, in 1899, Charles Duell, the Director of the U.S. Patent Office, said, "Everything that can be invented has been invented."

He was wrong then. He'd be just as wrong, today.

We intend nothing less than to reinvent government to make it work for people.

Our work has a short-term deadline but a long term goal -- creating a government that puts people first. Right now, Americans -- the people who are our customers -- too often feel that the government puts them last. That government costs too much. Or it's too slow. Or

too arrogant. Or too unresponsive. Or all of the above.

Our customers are right. And so, our long-term goal is to change the very culture of the federal government.

How do we do that?

Let me outline six principles.

The first thing we're going to do is start measuring the results of everything we do in government. Have you ever wondered why government programs never go away? Why, once they're created, they last forever?

One reason is we too rarely measure the results of what we do. We measure what we put in, not what we get out. We don't set goals and then measure to see if we're achieving them. And we sure don't tie our funding decisions to results.

A few years ago the Bush Administration declared war on drugs. But the federal government had never measured the results of its previous antidrug efforts so they had no idea what worked. They just poured more money down the same holes into which the Reagan administration had already poured \$21 billion -- interdiction, investigation and prosecution.

Now I'm the last person to object to spending money to fight drugs. But my point is: we've got to know what works.

The Wall Street Journal did a long report in 1989 which showed that eight years of effort on that front had "hardly put a dent" in the drug traffic. One of the the few evaluations the Journal could find -- by the Rand Corporation -- concluded that \$5.72 billion spent on Coast Guard cutters, jets and radar-equipped blimps had done little more than raise the price of illegal drugs by four percent.

Drug treatment? An administrator of the Alcohol, Drug Abuse and Mental Health Administration admitted to the Journal that his agency didn't even monitor the results of the \$2 billion a year it spent.

It's hard to hit a home run -- or even get a piece of the ball -- when you're blindfolded. But that's what we've been trying to do in the federal government. State and local governments across the country are taking off the blindfolds and turning to something called performance measurement. It's time we did the same in Washington.

There's a Senate bill sponsored by Senators John Glenn and William Roth -- S.20 -- dealing with performance measurement. I'm confident the Senate and House will pass it, the President supports it, and I can't wait till he signs it into law.

So first is measurement.

The second thing we have to do is put the customer in the driver's seat.

We almost never use the word "customer" in government. But what are the students we educate, the people we train for jobs, the drivers we build roads for, if not our customers?

And what do customers always want?

For one thing, they want value for the money they work hard to earn. They want efficient and convenient service. They want to be able to find what they need when they need it, without hassles or headaches. They want to have confidence in the people they rely on.

And they want choices along with the freedom to make those choices. If we're going to put our customers first, then we're going to have to give them value for the dollar, efficient and convenient service, earn their confidence, and offer them a choice.

When you turn on your television you don't want one channel. When you go to the grocery store you don't want one brand of cereal. You want Wheaties and Cheerios and Total and -- if you have kids -- Froot Loops, Super Golden Crisp, and all the others to choose from.

Same with government.

It really isn't such a radical idea. In fact, I think you can argue that the most successful social program in the history of America was a program built around customer choice. It was called the GI bill.

After World War II we didn't build GI universities and assign veterans to the university closest to their home. We let them choose their institution -- college, university, or technical school. As long as it was accredited the GI bill would pay.

It worked. The GI bill took a generation traumatized by war and turned it into the educated backbone of a 30-year economic boom.

That's a success story. And the principle of choice can be applied to the rest of government, too.

The third thing we need to do is inject competition into government services.

It's a funny thing: Americans hate monopoly in the private sector but they tolerate it in the public sector. To this day, if a politician sees competition, he's likely to call it waste and duplication and do his best to eliminate it. He thinks he's saving money. But you know that monopolies don't save any money -- except maybe for their stockholders.

Now let me make one thing clear. I'm not talking about that gimmick trotted out to produce some short-term budget reductions called "privatization."

I'm talking about competition within government.

It's worked in the Defense Department. Bill Creech, the general who took over the Tactical Air Command back in 1978, was a big fan of competition. He encouraged it throughout his command. They measured the performance of every squadron, and they posted the results so everybody -- the pilots, mechanics, everybody -- knew who was the best. And you know what? In six years Creech doubled the productivity of that command.

On every important measure -- sortie rates, repair times, flying time -- TAC virtually doubled its performance and maintained their high quality work.

Imagine the potential if we really encouraged all federal workers to strive for excellence and gave them the freedom to do it.

The fourth thing we need to do flows from the idea of competition and customers:

We need to make government more market oriented. You know, people in Washington have what some folks call "programmitis." They see a problem, they instantly want to create a program to solve it.

Newsweek recently quoted Lyndon Johnson as saying, "I'm in favor of lots of programs and against damn few." They implied that this Administration believed the same thing.

Nothing could be farther from the truth. Sometimes programs aren't the best solution. Sometimes it's more effective to use government's leverage to change what happens in the private sector.

Like housing. Back in 1930 Americans who wanted to buy homes had to put 50 percent down and repay the mortgage in five years. But FDR created the Federal Housing Administration and it decided to try out mortgages requiring only 20 percent down, which people could repay over 30 years. It forced a change in the banking industry which today we take for granted.

Ask yourself: would we be better off if FDR had created half a dozen low and moderate-income housing programs? Or are we better off because he changed the marketplace?

Now, I want to make sure you understand: I'm not saying, "Leave matters to the free market." That's the Republican line. They think the market will solve our problems if we just ignore them and leave the market free to work.

That's hogwash. That's what gave us the Depression, and later, the S&L Crisis. We need to use the government's leverage to influence positively what happens in the private sector -- and to use the power of the market to influence positively what happens in government.

Which brings me to my fifth point. To make government more effective in this country, we need to empower communities to solve their own problems.

Usually, in government, the professionals and bureaucrats have all the control. The people they're supposed to serve have none. They're dependent. After we treat them as dependents for a generation, it sticks.

That's one reason welfare dependency is such a problem.

The President feels strongly that we've got to push money and control out of the federal bureaucracy and into the community. And so do I.

I've seen it work in Miami, where I recently visited a school that doubles as a community center, or Chicago -- where I recently walked down 95th Street on the South Side looking at a program that put more cops on the beat.

That was an eye opener. At one point we had a kind of roundtable discussion with some police and firefighters and shopkeepers on the sidewalk, and they talked about how much safer this made the entire community. Federal dollars? Yes. Federal control? No.

We have to empower communities. And we have to move from hierarchy to participation and teamwork.

And that brings me to my final principle: decentralization. You know, if you talk to computer people these days, they will talk excitedly about what they call "massively parallel" computers.

For those of you who think of computers as something your kids understand, let me explain.

Computers with central processors solve problems in sequence -- one by one, each bit of information is sent back and forth from the central processor to the memory where it's stored. . It's like running errands on Saturday and going home in between each stop to the cleaners, the grocery, and the shoe-maker. Even at the speed of light, that takes time.

On the other hand, massively-parallel computers have hundreds ... or thousands ... of little processors located within the field of memory that simultaneously solve the different elements of a given problem. So, the problem is split into little pieces that are all attacked at the same time by processors, and then solved when the pieces are all brought together. As though you stayed home and six different people brought you what you needed.

For somewhat the same reason, incidentally, representative democracy is better than a dictatorship. Each citizen has a little bit of freedom to make decisions. The cumulative result is not only morally superior than having decisions made by some dictator in a castle -- it's more efficient.

That's the way government should work. And why not?

Conditions change quickly. We don't have time to let information wend its way slowly from desk to desk. We've got to give workers the power to make their own decisions.

There are lots of questions to ask.

How can we clarify agency missions? Would thinning out layers of bureaucracy improve the line managers' ability to serve customers? Can we improve the way we hire and train?

How can we bring the information age that has so transformed our private sector into the public sector? Can we reduce the number of rules and regulations that don't directly add value to an agency's mission?

Can we create programs in ways that make sure the design matches the mission?

Finally, what should we stop doing because it just doesn't need to be done anymore?
Measurement should help us a lot with that question.

This is not the first time people have tried to make government efficient. Even the Brownlow Committee was part of a long line of such efforts -- some successful.

The other day someone told me that in the 1580s the British created a continuously manned station responsible for lighting a bonfire on the cliffs of Dover whenever the Spanish Armada was sighted.

But eventually they did a review and abolished that job.

Of course, they didn't abolish it till 1946.

I think we can do better.

For one thing, we are dramatically different from other attempts that produced reports now gathering dust on the shelves. You know, there's a story about a politician who came to town for a banquet. And as he was sitting at the head table, a waiter came by and put a pat of butter on his plate.

The politician asked, "Can I have another pat of butter?"

The waiter said, "Sorry. One pat per person."

"Well," the politician said, "I guess you don't know who I am. I'm extremely important." And recited his resume in great detail.

When he was done, the waiter said, "I guess you don't know who I am."

"I guess I don't. Who are you?"

"I'm the guy," the waiter said, "who controls the butter."

In Washington, there's always someone who controls the butter.

Maybe it's a vote. Maybe it's a committee. Maybe it's an insight or a procedure or an idea.

The result is you don't accomplish things alone. Not even a President does.

If we succeed in reinventing government we will do it through a partnership.

And that's the purpose of this meeting today.

Because this Performance Review will not be run by a group of high-priced consultants brought in to tell federal workers how to do their jobs.

It will be the result of all of us in this room working as partners.

None of us has all the answers. Each one of us knows some of the answers.

We will succeed only if each of us provides the insights only we are best equipped to share.

But if we work together, we will succeed.

We will empower communities.

We will use market principles.

We will measure results.

We will decentralize.

We will treat Americans like customers again.

Very different from the way government has been run.

Since the New Deal we've had it in our minds that government's sole job is to deliver services. But government's real job is much more profound.

If you look back at the roots of the word govern, it comes from a Greek word, which means to steer.

That pretty well summarizes what ought to be government's basic role in today's world.

I hope all of us, working together, can create a new role for the federal government. I hope we create a new partnership between government and people. We need a strong federal government, but we don't need a bigger federal government. We need a federal government

that steers our society to health -- not one where it rows every boat.

Will we make mistakes?

Plenty.

There have been times, these last few months, when I have thought of that story I used to hear back in Tennessee about an old man renowned for his wisdom.

One time, somebody asked him how come he was so smart.

"Well ... I've got good judgment," he said. "Good judgment comes from experience. And experience? Well ... that comes from bad judgment."

We've made mistakes. But listen. Babe Ruth struck out 1330 times.

Meanwhile, we're hitting a lot of home runs.

Last year, people were arguing about whether the deficit could ever be reduced.

Now they've seen the President's plan and the debate is over how much we'll reduce it.

Last year, people were saying we could never cut spending. Now they've seen the President's plan and the argument is over how much he's cut.

Last year people were saying we could never reform the health care system that's bankrupting families.

Now they've seen the broad outlines of the President's plan and the debate is over how big a change we can get passed -- and whether that's enough.

Last year people thought long-term interest rates couldn't possibly get lower. Now they are rushing to refinance.

Last year people thought ideas like Family and Medical Leave and "Motor Voter" were dead in the water. Now they're both law.

Last year we were arguing about the consequences of inaction. This year we are arguing about the consequences of action.

I'm confident we can move to reshape government in a way that can carry this country into the 21st Century.

President Kennedy use to like telling the story about the French General who asked his gardner to plant a tree.

"Oh, this tree grows slowly," the gardener said. "It won't mature for a hundred years."

"Then there's no time to lose," the General said. "Plant it this afternoon."

The reforms we're after won't come in a day -- or a year. All the more reason to start now.

Work with me in the months ahead. Plant the seeds of a government that will work again.

Armed with your help, with the dedication and insight that has marked your own work in government, we can bring change to America.

I'm confident we can create a government that can move on issues as small as, well, as small as a steamtrap ... and as large as our future.

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POLITICS & POLICY

Gore Gets Earful of Bureaucratic Horror Stories As He Shapes a Plan to 'Reinvent' Government

By JAMES M. PERRY

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — Cordless microphone in hand, Vice President Al Gore strides back and forth in front of an enthusiastic audience, just as if he were Oprah or Donahue.

But here, the subject isn't serial killers or sex-change operations. It's something called "reinventing government," and the Clinton administration is serious about it.

Most serious of all is Mr. Gore, named by Mr. Clinton as the head reinventor. He's holding town-hall meetings in every major government department, collecting ideas on what's wrong and what can be done to fix it.

More than 200 reinventing specialists, most of them career federal employees, are toiling in two downtown offices analyzing all the data. The agencies, with 800 more employees working on the project, are doing their share too; this week, top managers at the Labor Department held a three-day retreat to come up with ideas on reinventing their part of the government. The goal is to produce a final report, free of jargon and analysis by highly paid consultants, in September.

Mr. Gore's town-hall meeting with "volunteer" bureaucrats from the Treasury Department is typical. He starts off by saying he wants them to tell him horror stories about why the federal government is so fossilized. They can hardly wait to respond.

"I can't even find a stapler that works in my department," says one woman. "We have a couple of old staplers that still do the job, and we hide them from each other."

"If you blow a fuse," says a maintenance worker, "you're out of business for days. So it's a lot easier to go across the street to Radio Shack and buy a new fuse out of your own pocket."

The Little Green Steam Trap

But the most celebrated horror story of all is the one Mr. Gore tells himself, at all his meetings. It's about a little green steam trap that's used to take dirt and oil out of steam lines.

"It costs about \$100," Mr. Gore says. "When it goes bad, it begins to leak. It leaks about \$50 worth of steam a week." Mr. Gore says a federal employee came to him and told him what happened when he tried to replace several leaky traps. He was told the central procurement office "had been directed to buy in quantity to save money. To do that, they saved up all their requests for leaky steam traps for a solid year. Sure enough, they got a discount. They bought each \$100 trap for \$90. Saved 10 bucks. In the meantime, though, they lost 50 weeks of steam. \$2,500. That's right. \$2,500 to save \$10."

It's a nice story. But Robert Stone, a career Defense Department official hired by Mr. Gore to manage the reinventing team, concedes that no one ordered anyone to save up all those requests for new steam traps. "The problem was," he says, "no one was authorized to do anything," so, presumably, the requests just piled up.

It's also a popular story. Mr. Stone tells it in a book called "Reinventing Government," by David Osborne and Ted Gaebler. In Mr. Stone's version, the lost steam was worth \$3,000. Mr. Osborne is working as a consultant with the reinventing organization, which is formally known as the National Performance Review. The book is the organization's guiding light.

'Empower People'

But whatever the provenance of the anecdote, the point is valid. The government's centralized procurement process does pose a problem. Mr. Stone says the final report will recommend changes. Managers would be given cash to make these discretionary purchases, he says. They could go out and buy staplers and

fuses and even desktop computers on their own, without filling out hundreds of pages of documents for the centralized purchasing office. "Empower people," he says. "That's the advice I'm getting."

It is one of Mr. Gore's basic principles too. He says he wants to invent a government that will be decentralized, that will use market principles and that will "treat Americans like customers again." What private industry has done in the way of total quality management, he wants to do for the federal government.

It might even involve something that used to be called the petty-cash fund. Some government agencies, Mr. Stone notes, have petty-cash funds now, but "the trouble is, hardly anyone is empowered to use the money."

Mr. Gore and his group are also taking on what to many is the coat of arms of the federal government in action — mounds of paperwork. "It took me a whole week to do the paperwork to meet the requirements of the Paperwork Reduction Act," one Treasury employee told Mr. Gore.

Shift to Computers

The paperwork, says Mr. Stone, really is awesome. When he was at the Defense Department and wanted to make a trip, he says, he was required to fill out dozens of forms and send his secretary scurrying all over the Pentagon to get them signed. All day long, says Mr. Stone, thousands of government secretaries are shuttling from office to office just to get papers signed by functionaries. "Why can't these signatures be done electronically?" a Treasury worker asked at Mr. Gore's town meeting.

Good question. Mr. Stone thinks he and

his reinventors have an answer — the computer.

As things stand now, most federal departments still use electric typewriters. "New hires sometimes don't know what they are," Mr. Stone points out.

Mr. Stone would replace them all with computers. "Here's what I would do about that trip to Atlanta," says Mr. Stone. "I'd type a line to my boss on my PC, saying I wanted to go to Atlanta at 9 a.m. on Thursday and that I'd be back at 5 p.m. Friday. He'd respond, by computer, that it was OK and then I'd contact the travel office by e-mail, and they'd send my ticket back by e-mail. I'd account for my expenses on my computer and have my boss authenticate them. I'd send my voucher electronically to the payroll office and they would then transfer what I was owed electronically to my bank account."

Mr. Stone says he would lay down a law: Anybody in government who works with pencil and paper is hereby authorized to buy a desktop computer. In the end, he says, the government would save money. Hiring a secretary to shuttle back and forth with paperwork probably costs \$50,000 a year, with benefits. Buying a PC, and working it into a local-area network costs less than \$5,000. The secretaries, of course, would lose their jobs — in theory, anyway.

He would also allow employees to buy state-of-the-art equipment. As things stand now, one of the Treasury employees told Mr. Gore, new computer equipment arrives just about the time the equipment becomes obsolete. Mr. Stone agrees; he says he was assigned a new computer at the Pentagon the day the company that serviced them went out of business.



Albert Gore

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Government has 'lost touch,' Gore says

At a Phila. summit on reinventing government, experts and federal workers had their say.

By Richard Jones
INQUIRER STAFF WRITER

Working on only a half hour's sleep but showing few signs of fatigue, Vice President Gore led an eight-hour conference in Congress Hall yesterday on ways to "reinvent government."

The summit followed an hour-long town meeting with front-line federal employees on the same subject and was part of the vice president's weekend trip to Philadelphia that culminates with today's ribbon-cutting at the city's new Convention Center.

While Gore heard from management experts at the summit, it was tales from the workers who grapple with inefficiencies daily that brought the need for streamlining government into focus.

Meeting with about 150 federal employees at the First Bank of the United States, Gore listened as a worker from the Department of Civil Rights criticized having five managers for nine workers in her office; an IRS employee wondered why her office was encouraged to spend any surplus money in the budget as the fiscal year wound down, and a worker in the U.S. Customs Office questioned why \$10,000 was spent to

send managers to graduate school while the office couldn't afford to buy tires for its cars.

"It's crazy," Gore said at one point.

Later at the conference, business leaders joined their counterparts in academia and politics to share strategies for improving the government's efficiency.

"The federal government doesn't work the way it's now operating; it has to change," Gore said, echoing the sentiment that helped President Clinton win the White House.

Gore called for a government that is "customer-friendly, customer-driven, high performance, high quality and low cost."

He described the government as "one of those old corporations that lost touch with its market and had to reinvent itself."

"We want to take stock of the lessons learned by businesses that have encountered the very same challenge and apply them in government," Gore said.

The conference — "Creating a Government That Works: A Summit on Reinventing Government" — boasted a diverse group of panelists, including executives from General Electric, Xerox Corp. and Apple Com-

puters; scholars from Harvard Business School and the Massachusetts Institute of Technology, and civic officials from Richmond, Va., Phoenix and Chicago.

A host of local government officials also attended, including Mayor Rendell and Sen. Harris Wofford (D., Pa.).

During the day, some panelists described how they had "reinvented" their companies, many times bringing them back from the brink of financial ruin.

Common themes such as reducing micromanagement, creating employee incentives and changing purchasing practices were laced through most of the presentations, including one by Rendell that celebrated the first 18 months of his administration.

Gore highlighted the importance for increased government efficiency by telling the 100-member audience the story of the steam trap used by the government (which, incidentally, was built at the Philadelphia Naval Base). The trap is used to take the moisture out of steam lines. When the traps break, they leak \$50 worth of steam a week.

The traps normally cost \$100, but if the government buys them in bulk,

they go for \$90. At one government base, officials waited 50 weeks to buy the traps wholesale and save the \$10. But by that time, \$2,500 worth of steam had been lost.

Three months ago, Clinton commissioned Gore to lead a review of each government agency. Gore is expected to deliver a report in September, outlining specific ways to streamline the government.

While phrases like "occupational synergy" and "flattening the hierarchical pyramid" flew through the room, Gore's constant note-taking and seemingly endless attention span were all the more impressive because he was called to the Senate floor at 3 a.m. yesterday.

Gore cast the deciding vote in the Senate's passage of the Clinton administration deficit-reduction plan.

Gore vigorously worked the crowd and laughed off his lack of sleep, saying he was not caught totally off guard by the close vote.

"It was clear early on that final passage was going to be close," he said. "I got home just in time to lay down, get a half hour's sleep, then get on the plane to come up here."

Gore said he "learned a tremendous amount" from the day's speak-



The Philadelphia Inquirer / ED HILLE

Vice President Gore used a steam trap to illustrate a story about government inefficiency. Sitting next to him is William F. Goins of the Xerox Corp. Gore called for a government that is "customer-friendly, customer-driven, high performance, high quality and low cost."

ers, saying the conference had convinced him that "there are ways to change the culture of our government. Now we have to go out and do it."

Gore underscored his mission with a cautionary tale he related about another nation's performance review.

"In the 1580s, the British created a

continuously manned station responsible for lighting a bonfire whenever the Spanish armada was sighted. Eventually, they did a kind of performance review, and they abolished that job," Gore said.

"Of course, they didn't abolish it until 1946. I think we can do better than that."

Gore vows 'customer-friendly' agencies

Federal workers here tell him faults of big government

By JOHN MARELIUS
Staff Writer

Vice President Al Gore yesterday solicited big-government horror stories as part of the Clinton administration's campaign to ferret out waste and inefficiency in federal agencies.

At a San Diego meeting with 300 federal workers, Gore promised to take a machete to middle-management bureaucracies if that's what is needed to make government agencies more "customer-friendly."

"It involves shifting more decision-making authority down to the people who actually do the work and then holding them accountable," Gore said. "It means getting rid of so many layers of middle management."

Gore has been assigned by President Clinton to conduct a six-month "National Performance Review" of the federal government and said he will submit a report in September suggesting ways to make agencies more productive and responsive to the public.

"In many cases, federal employees have tried for years and years to introduce new ideas, creative new approaches, but they've been given the feeling



Union-Tribune / JIM BAIRD

Gripe session: Vice President Al Gore hears out Rachel Ortiz during a meeting with federal workers yesterday at Broadway Pier. In a White House review of federal performance, Gore listened to complaints about antiquated and wasteful practices among other concerns.

See Gore on Page A-14

Gore

Hears federal workers describe agency faults

Continued from A-1

too often that they'd get their heads chopped off if they tried to do anything really different, even if it improved the quality of services or saved the taxpayers money or both," Gore said.

In his first visit to San Diego since becoming vice president, Gore said he wanted the federal government to learn from the experience of forward-thinking corporations.

"I have visited corporations all over this country who used to be thought of as stodgy and inefficient and completely hopeless that have turned themselves around by listening to their employees and by adopting these new management systems and making them work," he said.

The government, he contended, should emulate companies that have gone through this process of

"reinventing themselves (and) have learned that the most valuable asset they have is the creativity and the brainpower of the men and women who work within the organization at the lowest rungs of the ladder."

Encircled by several hundred workers from federal offices in the San Diego area, Gore stood in the bright afternoon sunshine at the end of Broadway Pier.

There he listened to complaints about antiquated purchasing practices, wasteful accounting procedures and personnel policies that produce inadequate manpower in the trenches combined with bureaucratic bloat further up the ladder.

Agents for the Immigration and Naturalization Service and the U.S. Customs Service complained that they are spread much too thin to make a dent in the illegal immigration problem.

"Frequently what I'm finding," Gore responded, "is that it is exactly there on the front lines where the shortages take place — and at the middle-management level, on up the bureaucracy, you have got too many people."

Another federal worker said she learned how much is wasted on equipment purchases when she ordered a small file box to store important papers.

"I think we paid \$100 for it, and I happen to know you can buy one at Target for \$18," she said.

Gore said that the government's traditional method of centralized bulk purchases is no longer cost-effective in today's rapidly changing marketplace and that flexibility is required to take advantage of bargains available at local levels.

The vice president acknowledged that the administration's aim to "make the federal government customer-friendly and a high-performing, high-quality, low-cost organization" is a tall order.

But he said: "We believe it can be done."

After meeting the federal workers, Gore attended a \$5,000-a-couple fund-raising reception for the Democratic National Committee at the Fairbanks Ranch home of attorney William Lerach.

During his two days in California, his second trip to the state this year, the vice president also discussed conversion of defense facili-

ties to civilian uses with aerospace workers at the TRW Space & Electronics Group headquarters in Redondo Beach.

Speaking yesterday morning inside a hangar used to build Air Force satellites, Gore called for defense companies to develop technologies for commercial markets while protecting the natural environment.

"In fact, it's not going to be easy. We're not going to pretend that it is. It's going to be very difficult," Gore said at the aerospace facility in suburban Los Angeles.

Gore said the Clinton administration's \$20 billion defense-conversion program — equal to the cost of nine B-2 stealth bombers — will be sufficient to stimulate conversion.

On Monday, he promoted the Clinton administration's proposed national service program at a gathering of young adults taking part in the "Summer of Service" project on Treasure Island in San Francisco Bay.

The 1,475 recruits will return to their communities next week to work for minimum wage at a variety of local community projects.

Managing Government Inc.

Executives advise Gore on quality

By Mark Memmott
USA TODAY

ABOARD AIR FORCE TWO — A deep cynicism across the nation endangers the Clinton administration's effort to "reinvent government" and run it more like a business, Vice President Gore admits.

People believe the federal government will never change and that reform efforts just produce reports, not action.

But federal departments and agencies can change, Gore says. They can learn to be more efficient by adopting total-quality-management techniques used by business.

"Some people are skeptical that we can do this," Gore says. "But what if someone had told us 10 years ago that in 1993, the U.S. auto industry would be producing high-quality, competitive cars? If the auto companies can make that transformation, the federal government can do the same."

More than 200 executives — from companies such as General Electric, Wal-Mart and Harley-Davidson — gave Gore tips at a meeting Friday in Philadelphia on bringing total quality management to the federal bureaucracy.

The Reinventing Government Summit was part of Gore's six-month National Performance Review, an effort that has 1,000 federal workers and consultants examining how to change the way government operates. The group is looking at government procurement, staffing and repetition of services.

Gore is to report his findings and recommendations to President Clinton in September.

"Some of these approaches can do for the government what they did for GE," Frank Doyle, an executive vice president at GE, told Gore.

Doyle said GE has eliminated management layers, emphasized training at all levels and empowered workers.

"I'm convinced that large institutions, public or private, can and should deliver more and do it with less," Doyle said.

Among the tips for Gore:

► **Push decisions down.** Let workers make decisions with minimum interference from management. At Harley-Davidson, which faced extinction a decade ago, the workforce was cut 40% and management told employees, "You make it, you inspect it ... and you adjust your machinery," said Harley-Davidson Chairman Vaughn Beals. Today, Harley-Davidson can make a motorcycle frame in half a day — not the 72 days of a decade ago.

At Ritz-Carlton, every worker is authorized to spend up to \$2,000 to fix any problem a guest encounters. Employees do not abuse the privilege. "When you treat people responsibly, they act responsibly," said Patrick Mene, the hotel chain's director of quality.

► **Train workers.** The entire workforce should "see the world the way its leaders do," said Rosabeth Moss Kanter of Harvard Business School.

Training should go well be-

yond just how to get one job done, said William Goins, president of Xerox's integrated-systems operations. "Employees must be well-trained in problem-solving techniques" so they can make decisions on their own, he said.

Some government units already are adopting total quality management.

Gen. John "Mike" Loh, commander of the Air Combat Command, told Gore that his operation is proof that government can work better. The general manages 175,000 people at 45 bases. They maintain aircraft for 671 squadrons.

Loh has flipped his command chart, putting the squadrons at the top and the leadership at the bottom. His motto: "No one is more or less important than anyone else."

One result: When those responsible for doing maintenance work were given the task of figuring a way to fix parts that were often thrown away when broken, the command produced savings that will total \$100 million this year.

Saturday, as he flew from Philadelphia to Washington,

Gore said a push to bring the quality movement to government may be easier today. That's because millions of people are encountering quality programs "in the workplace and in their own lives." They can "understand what they're seeing when these changes take place in government."

But even if Gore can overcome the cynicism, his effort won't be easy, warned Joseph Juran, who has been writing about, teaching and studying quality issues for 70 years.

Large corporations take at least six years to fully implement quality programs, Juran said. For the federal government, Juran said, "you're talking about at least a decade."

One reason it will take a long time: Not all federal departments and agencies will jump on the quality bandwagon.

"They will march in single file," Juran said. "At the head will be the managers who believe in this." Behind them "will be the skeptics who want to see results" before joining. At the rear "will be the diehards who don't change" until they see they're all alone.

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Gore touts Saturn as U.S. model

By LARRY DAUGHTREY

Staff Writer

SPRING HILL, Tenn. — Vice President Al Gore used the sprawling Saturn plant as a backdrop here yesterday to insist that the federal government become as "user friendly" as the innovative auto maker.

The former senator from Tennessee also conceded that the young Clinton administration has had its bugs, too, but said it has been willing to take on complex and controversial issues.

"Judge us by the results, not our shakedown cruise," he said. "We're getting our six-month tune-up a little early."

Gore dined on southern fried chicken with his parents and spent the night at his Carthage home Sunday during his first trip back to



Frank Empson ● Staff

Vice President Al Gore tells Saturn workers they should not judge the administration during its 'shakedown cruise.'

Middle Tennessee since his inauguration in January.

In a fast-paced, two-hour visit at Spring Hill yesterday, he heaped praise on Saturn workers and management for creating a success story in the beleaguered American

automobile industry.

"You go to a Saturn dealership anywhere in this country and there's a problem, all right," he told a "town meeting" of about 400

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Frank Empson ● Staff

Gore had a quick-paced, two-hour tour of the Saturn plant in Spring Hill, during his first trip back to his home state since the inauguration.

Gore lauds Saturn in 1st visit as VP

FROM PAGE 1A

workers.

"There's more people wanting to buy your cars than there are cars available."

Wearing a red and white Saturn windbreaker as he shook hands along the assembly line, Gore seemed to be in a familiar campaign mode, with one addition:

A uniformed Navy officer stood nearby with "the football," a briefcase carrying the nation's emergency nuclear codes.

Gore said Saturn is one of the models for his assignment from President Clinton to "reinvent" the federal government during a six-month audit of federal agencies and procedures.

The National Performance Review is designed to eliminate waste, treat taxpayers fairly and improve efficiency. The study's findings are due in September.

Gore got some suggested techniques from the Saturn workers for the federal government to follow:

- Bosses should be sources of help, not orders.
- Mistakes should be learning experiences, not cause for punishment.
- Technicalities shouldn't be an excuse for not helping a customer.

● Listen to those on the bottom as well as the top.

"If we can do it, the government can do it," one worker said of the unconventional approach.

In a brief meeting with reporters later, Gore shrugged off the problems the Clinton administration has encountered with its economic package. Reform is necessary, he said, because the federal deficit has quadrupled in the past 12 years.

"We're changing that. Anything you do to change things that are real, that are not illusory, is going to be controversial."

Gore carefully steered around local controversies.

He said he disagrees with Nashville Rep. Bob Clement's vote against the administration's tax package, but added "that's his prerogative." He said the vote wouldn't prevent him from supporting Clement if the congressman enters and wins the Democratic primary for governor next year.

He said he doesn't intend to get involved in Democratic primaries for his old seat or for the governorship next year.

Gov. Ned McWherter has called to push his TennCare health reform program, Gore said, but hasn't formally submitted the proposal to Washington. ■

REVOLUTION MUST COME FROM WITHIN

We can cut the federal trust deficit

By Al Gore

Vice President of the United States

I learned a lot of things last month when I met with several hundred federal workers in Denver. But one message came through loud and clear: government can work better and cost less.

That's the goal of the National Performance Review, a six-month, comprehensive study of every federal agency, which President Clinton has asked me to lead. The federal workers in Denver gave us a lot to consider.

A Bureau of Land Management worker was frustrated by the inability of his department to plan ahead. Somebody else was horrified by the paperwork it took to get reimbursed for something as simple as batteries for a pager. Yet another worker objected to the idea of spending \$50 in requisition time for a \$10 item.

At one point I asked if anybody had had the experience of spending money just because it was the end of the budget year and their superiors knew that to turn money back would be to have it cut from next year's budget.

Everybody laughed. Just about every hand went up. And a Bureau of Mines worker said, "That's probably happened about two thirds of the years that I've been with them."

Many of these complaints are not new or surprising. But the willingness to utter them in front of superiors — and the

depth and passion with which they were uttered — was startling.

Since President Clinton asked me to lead the National Performance Review I've heard from thousands of Federal workers and private citizens — many of whom have complaints similar to what I heard in Denver.

✓ Example: One federal employee came to me with a contraption called a steam trap that's supposed to take dirt and oil out of steam lines. It costs about \$100. When it goes bad it leaks about \$50 worth of steam a week.

A federal engineer wanted to replace some leaky ones. The problem was, the central procurement office had been directed to buy in quantity to save money. So the office saved up all its requests for traps for a solid year. It bought every \$100 steam trap for \$90 and saved \$10. While it waited, each leaky trap cost the taxpayers 50 weeks of steam. That came to \$2,500.

\$2,500 to save \$10.

✓ Example: A worker in the Federal Marshals Service of the Justice Department told me about what that department faced in Atlanta, when it wanted to get the lawns mowed at houses it seized in drug cases.

The department resells the houses and uses the money to finance the war on drugs. But to sell a house, you've got to keep it presentable and that means mowing the lawn. In Atlanta, they thought they'd hire a teenager for about \$10 a lawn.



But procurement regulations dictated they had to do it competitively — and of course, kids don't write bid proposals. So they had to negotiate a contract with a large firm to mow all the lawns in the Atlanta region — for \$40 a lawn.

These stories — there were dozens and dozens of others — demonstrate that Government has a lot of good people trapped in bad systems.

Please see GORE on 5-D

Good workers caught in bad system

GORE from Page 1-D

Some have pointed out that the obstacles to good government these examples illustrate lie not just in the written regulations but an ingrained mode of behavior on the part of federal workers.

That's true. For that reason, we need to change the very culture of our government. We need to move from an industrial-age government to an information-age government.

Four principles will guide this revolution in government:

1. Before we ask ordinary Americans to do more, government must learn to make do with less. It is time to demonstrate that government can be as frugal as any household in America.

2. Our goal is to improve services and expand opportunity, not bureaucracy. Over the past decade, America's most successful companies restructured themselves to meet global competition by eliminating unnecessary layers of management, putting more power into the hands of front-line workers and finding out what their customers want — then delivering it. The federal government has to do the same thing.

3. Government will only succeed if it listens to its customers, the American people. We need to make government customer-friendly — by giving people more choices, better services, and a bigger say

in how their government works.

4. This revolution in government must come from within. No one is more frustrated by bureaucracy than the workers who deal with it every day. Employees at the front lines know how to make government work if someone will listen.

What have we learned so far?

For one thing, we've learned that we need to inject competition within Government and make government more market-oriented. We want to empower communities to solve their own problems, give workers the power to make their own decisions and then hold them accountable for the results. For while Congress focuses on President Clinton's plan to reduce the deficit, we must address another deficit: the trust deficit — the widespread belief that government simply can't be trusted to spend tax dollars wisely.

This fall, the National Performance Review will produce a report with specific suggestions for steps we can take right away and in the future to meet our twin goals — better service and less cost.

Reflected in that report will be the stories and suggestions I carried back to Washington from that exchange of views in Denver. It will be a report with the potential for real change. It's time we created a government that can move on issues as small as a steam trap — and as large as our future.