MAGGIE WILLIAMS' FILES

INVENTORY- BOX 4

1) Posters
2) Cabinet Working Session Binder, April 22-23, 1994
3) State of the Union Outreach, 12-22-95
4) Photo With the First Lady
5) Book addressed to the First Lady
6) Resumes
7) Background information on White House rooms
8) Blair House Information
9) By-Laws of the White House Endowment Fund
10) February 17 Reception List
11) White House Endowment Fund
    - -financial reports
    - -documents
    - -hand-written notes
    - -pamphlets
12) Letter to Alex Trotman

Cabinet Working Session

April 22 - 23, 1994

Cabinet Working Session - April 22 - 23, 1994

CABINET WORKING SESSION
April 22-23, 1994

BRIEFING MATERIALS
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A selection of *Weekly Cabinet Reports* was distributed under separate cover.

Agenda

CABINET WORKING SESSION

April 22-23, 1994

Agenda

Friday, April 22, 1994, The Residence

6:00 pm 7:45 pm	**Cocktails and dinner**
7:45 pm 9:00 pm	**Presidential Scholars and discussion**

Saturday, April 23, 1994, Blair House

8:00 am 8:30 am	**Continental Breakfast**
8:30 am 9:15 am	**President's goals for 1994; looking out to 1995-96**
9:15 am 12:30 pm	**Agencies' top three strategic initiatives for 1994**
12:30 pm 1:45 pm	**Lunch**
1:45 pm 2:00 pm	**Introduction to the afternoon**
2:00 pm 3:00 pm	**Political context**
3:00 pm 3:15 pm	**Break**
3:15 pm 4:00 pm	**Mid-term elections**
4:00 pm 5:00 pm	**Legislative strategy**
5:00 pm 5:15 pm	**Closing**

Work Assignments

Task 1

Preparation for Cabinet Work Session

In order to maximize our time together, please read each of your colleagues' strategic initiatives and identify areas for collaborative action before arriving for Saturday morning's session.

Additional tasks will be distributed,
as appropriate, during the working sessions.

Agencies' Strategic Initiatives

AGENCIES' STRATEGIC INITIATIVES †

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† As submitted.

April, 1994

DEPARTMENT OF STATE

We are serving in public life at an extraordinary time -- a time unlike any our nation has faced for half a century. The definitions, certainties and ground rules of the Cold War have disappeared. As the first Administration elected in the post-Cold War world, we face the daunting task of designing a foreign policy that meets the challenges of a world for which there is no blueprint.

In this new world, American foreign policy must have a discipline at its core. Our challenge in this period of instability and upheaval is to maintain a tough-minded sense of our enduring interests: ensuring the security of our nation; enhancing our domestic prosperity and quality of life; and advancing our values.

With these core interests in mind, we are pursuing six fundamental foreign policy priorities

- strengthening America's economic security;
- supporting political and economic reform in Russia and in the other states of the former Soviet Union;
- reinforcing America's enduring political, economic and military links to Europe;
- deepening our engagement with Asia and working to bring a better balance to our bilateral relationships with Japan and China;
- pursuing Middle East peace; and
- advancing American leadership on non-proliferation and other global issues.

Our overarching strategic objective for 1994, therefore, is to make progress on these six priorities.

Key dates and events include the President's trip to Europe to commemorate the 50th anniversary of D-Day; the President's decision on MFN for China during the first week in June; the July G-7 meeting in Naples, including meetings with Japan's new foreign minister and President Yeltsin; the United Nations General Assembly opening in New York in September; a series of APEC meetings culminating in the APEC summit in Indonesia in November; the Summit of the Americas in Miami in December. Congressional approval of GATT will be key. We will have continuing challenges with respect to Bosnia, North Korea and Haiti.

To achieve our overarching objectives for 1994, we will need to be more efficient and effective. Accordingly, two additional important objectives for 1994 are:

- To streamline our domestic and overseas operations in line with the National Performance Review; and

- To ensure the resources necessary to carry out the President's foreign policy objectives.

We are full and enthusiastic participants in the course set by the President and the Vice President to make government more responsive. We have told all of our employees to help "reinvent" our foreign affairs structures, receiving hundreds of suggestions. We have dedicated an ambassador full-time to facilitating business opportunities, and we have established three "reinvention labs" to test new ideas and procedures.

One critical budget challenge will be to address the $1.1 billion the United States will owe the UN by the end of fiscal year 1994 -- without counting any Bosnia operations. With the President's leadership, we have undertaken a strategy to meet these obligations. Successful development and implementation of such a strategy is essential.

DEPARTMENT OF THE TREASURY

The Treasury Department's major 1994 strategic initiatives fall into four areas: revenue issues (e.g. paying for health care, GATT, welfare reform, and other programs), banking policy, crime, and trade and growth. The Department is also involved in overall Administration priorities including passage of the 1995 budget, health care reform, and macroeconomic policy generally. In addition, we are actively implementing the National Performance Review.

<u>Revenue Issues</u>: Treasury is developing revenue proposals to help fund major administration initiatives, including health care reform, welfare reform, and GATT. The welfare reform proposals being developed by an administration task force will require $9.5 to $12 billion in funding over five years and $30-35 billion over 10 years. Treasury's funding work on health care reform will now focus on defending Administration cost and revenue estimates and analyzing new funding proposals floated in the Congress. GATT requires $13 billion over five years and $40 billion over 10, and the Secretary is working with the bipartisan Congressional leadership to develop funding proposals in hopes of sending legislation to the Hill in June or July with a 90-day fast track deadline for legislative action.

<u>Banking Policy</u>: In a speech last October, Secretary Bentsen laid out a three-pronged banking legislative agenda for the coming year: interstate banking, community development banking, and bank regulatory consolidation.

Interstate banking: Interstate banking legislation will allow banks to operate across state lines, replacing the existing inefficient rules requiring distinct corporations in each state. Interstate banking bills have passed the full House and the Senate Banking Committee. We expect interstate to be taken up on the Senate floor in the next several weeks, and a conference should occur this summer after the conference on community development banking.

Community Development Financial Institutions: Community Development Financial Institutions bills were passed by both the House and Senate last year, and both incorporated most of the Administration's proposals. A conference committee is expected to meet early next month to develop a final bill, and Treasury is working to keep the final product consistent with the Administration's key objectives. A number of potentially debilitating provisions have been attached to the bills, however, and there remain significant obstacles to final passage.

Bank regulatory consolidation: The Administration has proposed combining bank regulatory powers of the Treasury Department's OTS and OCC with those of the FDIC and the Federal Reserve to form a single, independent bank regulator. The plan was announced in November, but the Federal Reserve immediately objected to surrendering a portion of its traditional authority. Secretary Bentsen and Treasury banking officials, including Treasury Under Secretary Frank Newman and Comptroller Gene Ludwig, started with the concept that a single regulator would increase efficiency while reducing cost and bureaucratic overlap.

They are now attempting to work with the Fed to develop a compromise proposal that would achieve most of benefits while still accommodating the Fed's principal concerns.

Crime: Treasury's 1994 crime-fighting agenda has three major components: passage of the Crime Bill, administrative action to refocus current law enforcement efforts, and long-term reform of gun-dealer licensing. We are working for House passage of the Crime Bill this week, which should increase funding for particular Treasury enforcement initiatives and partially reform gun-dealer licensing. We are also refocusing ongoing Treasury efforts on Administration priorities like fighting crime in public housing projects, and investigating and arresting career criminals on gun charges. We also hope to follow the Crime Bill with further legislation to raise dealer fees, inspect dealers more thoroughly, and get licenses out of the hands of non-dealers.

Trade and Growth: On the trade front, much of Treasury's agenda will focus on Asia: Japan, in the market-access negotiations and the question of MFN status for China. Treasury is very involved in the macroeconomic aspects of the Framework Agreement and, in particular, Japan's efforts to stimulate its economy and cut its bilateral trade surplus. With regard to China, the paramount goal is to make clear that substantial and serious progress on human rights must happen or MFN will not be renewed when the June 3 deadline occurs. The second goal is to set the stage for a new approach to the question of China's trade status if they do progress enough to allow MFN renewal. The administration also needs a strategy to articulate our position to Congress and the public.

Our international growth agenda centers around our ongoing work with our G-7 partners, our efforts to fund the Multilateral Development Banks which are crucial in helping countries make the transition to market economies, and finally, the Summit of the Americas which will develop post-NAFTA trade and investment policies in the region.

DEPARTMENT OF DEFENSE

Prevent a drift back to Cold War Patterns

Arguably, the most important goal of the Department through not only 1994 but the entire decade is the preservation and the expansion democracy and market economics in the Former Soviet Union following the end of the Cold War. Our "pragmatic partnership" concept has many facets:

1) Nuclear Weapons Dismantlement: Nunn-Lugar funding supports efforts to expedite the elimination of the 25,000 nuclear weapons remaining in the region.

2) Defense Conversion: Efforts to transform Russian and other Former Soviet Republic defense industries to non-defense commercial entities through promotion of privatization and diversification initiatives.

3) Military-to-Military Outreach: Efforts to develop closer working relationships with the military organizations of the Former Soviet Republics.

Protect the President's five year defense plan crafted to fund the Department's Bottom Up Review.

As most of you know, by 1996 the defense budget will have shrunk by 41% over the preceding decade. To prudently manage this dramatic drawdown, my predecessor and I led the Department in developing the Bottom Up Review -- the Pentagon's centerpiece statement of force structure requirements for the rest of the century based upon a pragmatic assessment of our post Cold War national security interests.

The President's commitment in his State of the Union Address to holding the line on all further efforts to cut the defense budget had real effect, but this battle is never over on Capitol Hill. Many of the idividuals here today have been instrumental in waging our seemingly endless budget battles to protect the Bottom Up Review.

Central to our drawdown strategy, is the base closing and realignment process. Shrinking DoD infrastructure is absolutely vital to sustaining our readiness and modernization programs in the current budget environment. Nevertheless, base closure must be handled in a manner that takes account of the costs and complexities of closing bases as well as the dramatic dislocation that can occur at the community level. Having in place environmental restoration funds as well as defense conversion programs to facilitate community and worker transition is absolutely essential to a successful BRAC process. As the Department moves forward on BRAC planning, Cabinet participation -- especially from those Departments such as Labor and Commerce that share conversion program authority -- will be more important than ever in enlisting the support of our congressional colleagues.

Reforming our acquisition process and financial management system:

Central to our budget drawdown are efforts to improve and streamline the way the Department does business. An issue of particular interest to me long before I became Secretary has been and continues to be acquisition reform. Buying substantially more defense items off the shelf from commercial manufacturers, eliminating antiquated DoD regulations that inhibit cost effective production processes, intensifying our focus on dual use technology development, and overseeing the acquisition and merger process unfolding within the defense industrial community are all critical elements of the reform process.

Acquisition reform legislation is currently working its way through congress.

In addition to acquisition reform, financial services is another area that cries out for improvement. The Department has undergone an exhaustive process aimed at consolidating Defense Financing and Accounting Service centers. We currently have over 300 centers located throughout the United States. Our plan is to reduce the number of DFAS centers by over 90% and eliminate an estimated 50% of the workforce in the process. We will soon unveil the results of our consolidation effort. We will save some money and actually be able to account for the rest of it.

Streamlining the way the Pentagon does business -- whether in the weapons acquisition process or the financial management system -- all fits into the Vice President's larger goal of reinventing government.

DEPARTMENT OF JUSTICE

Lead the Federal Government's effort to play a significantly enhanced role in the Nation's fight to make communities safe from crime and violence.

- Achieve Passage and Implementation of the Crime Bill.

  To build a set of processes that will effectively implement the Crime Bill's policies of Police, Punishment, and Prevention, the following must be accomplished:

  -- Interagency planning to set the stage for administering the Youth Employment and Skills and the Ounce of Prevention programs must begin now. The work of the Interdepartmental Working Group on Violence could be continued with this focus.

  -- Expand the Department's Office of Justice Programs to administer the Crime Bill's police hiring, boot camp, and drug court provisions. OJP's experience in administering this year's Supplemental Police Hiring Grant Program will be useful. The Department also expects to tap the experience and expertise of other federal government grant-making agencies.

- Move forward effectively with other initiatives that combine with the Crime Bill to comprise the Department's strategy to reduce crime and violence.

  -- The Administration's Anti-Violent Crime Enforcement Initiative is amassing the combined energies of federal, state, and local law enforcement to target violent crime, particularly career criminal, illicit drug, and gang activity.

  -- Health Care Fraud Initiative. The U.S. Attorneys will establish health care working groups, composed of relevant federal and local agencies, to identify and attack health care fraud at the district and regional levels. The Department and the Inspector General of the Department of HHS have launched an effort to design national enforcement initiatives.

  -- The Department will continue and enhance its efforts to attack international and domestic narcotics trafficking organizations. The Department will encourage community policing as a means to help remove the presence of drugs from our streets.

  -- Other components of the Department's strategy seek to break down government barriers to encourage community-driven solutions.

    * Operation Weed & Seed involves twenty-one cities where efforts to reduce crime and support community development focus on those cities' most at-risk neighborhoods. It will expand to ten new sites later

this year.

* Project PACT (Pulling America's Communities Together) is a product of the Interdepartmental Working Group on Violence. It is working in four jurisdictions to support state and local attempts to build comprehensive metropolitan or statewide strategies to reduce crime and violence This effort complements the single neighborhood focus of Weed & Seed. The Departments of Education, HHS, HUD and Labor have also been involved in PACT.

* Comprehensive Communities Program (CCP). Sixteen cities have been invited to participate in a planning process that will produce comprehensive city-wide strategies for addressing crime and violence. Six jurisdictions will be selected to receive program funding from the Department's Bureau of Justice Assistance. The selection will be based on a review of the submitted strategies, which must include a jurisdiction-wide commitment to community policing, coordination among public and private agencies, and efforts that encourage citizens to actively participate in community problem solving. The four PACT jurisdictions are among the sixteen participating in this program.

-- Each of these initiatives requires substantial coordination among many federal departments. In addition, each, particularly Weed & Seed, PACT and the CCP, must dovetail with the Administration's Empowerment Initiative. There have been on-going efforts to effect that coordination.

Vigorous Enforcement of Civil Rights Laws.

- Voting Rights Enforcement. Clearly articulate the principles that underlie the Department's actions in voting rights cases as the Department moves to extend and defend the Voting Rights Act in the wake of Shaw v. Reno.

  Seek full enforcement of the Motor Voter legislation enacted in 1993.

- Americans with Disabilities Act. The Department will play an active role in building the jurisprudence that governs application of this still new legislation.

- In the employment area, the Department will focus on "glass ceiling" issues that affect minorities and women without sacrificing its responsibility for addressing "entry" issues.

- In the housing field, the Department is working with nine other federal agencies to end discrimination in mortgage lending and insurance.

Comprehensive Immigration Initiative

- Strengthening Border Control. The Department, through INS, will employ a strategy of "deterrence through prevention," and will increase its personnel and develop the infrastructure and technologies to sustain control. More than 1,000 will be on line by the end of 1995.

- Removing Criminal Aliens. INS has stepped-up its efforts to capture and deport criminal aliens.

- Reforming the Asylum Process. INS will implement a range of reforms to build a timely asylum process.

- Improving Employer Sanctions Enforcement. INS will reduce the marketability of fraudulent documents and aggressively pursue sanctions against employers who hire unauthorized workers while protecting the rights of legal aliens.

- Naturalization. INS will use public education programs to encourage and promote naturalizations.

Environmental Initiatives

There are four key components in the Department's strategy in the environmental area.

- Improved environmental enforcement
  - Integrate criminal, civil, and administrative remedies into a balanced and aggressive effort to achieve environmental compliance.
  - Combine the resources of Main Justice and the U.S. Attorneys' Offices to build a strong and effective environmental crimes program.

- Environmental Justice. The Department will work with EPA and other federal agencies to develop cases to establish that environmental decisions must take distributional effects on minority and low-income communities into account.

- The Department will support White House inter-agency efforts to develop strategies for protecting ecosystems while accommodating human and economic development.

- The Department will develop a strategy for enforcing environmental provisions at our borders, and will work with other federal agencies to address international and transborder environmental problems, with particular focus on negotiating and implementing bilateral and multilateral treaties that address environmental issues.

DEPARTMENT OF THE INTERIOR

1. The National Parks Initiative

Our initiative to provide for the improved management, use, and protection of the national park system has five major elements:

(1) Providing a higher standard of resource protection for the parks;
(2) Investing in the "keepers of the treasures" -- the NPS employees;
(3) Developing innovative partnerships with other agencies and the private sector, to improve management, efficiency, and constituency building and cost effectiveness;
(4) Achieving better fiscal performance through entrepreneurial management, including greater generation and retention of revenues, and appropriate private fundraising; and
(5) Achieving a higher standard in educating the public, both in the parks and outside, in the classroom, and experientially.

The Parks Initiative will be carried out through both administrative and legislative actions, over the next several years.

Secretary Babbitt is visiting many national parks across the country. During these visits, he is highlighting various park issues (such as employee housing) and listening to concerns and issues raised by others. He plans to make a major announcement during National Parks Week, the context of which will depend, in large part, upon what he learns in the intervening weeks, during the various park appearances.

Key legislation still pending in Congress that is critical to the Parks Initiative includes our Fees Reform Bill, Concessions Reform Bill, Heritage Partnerships Bill, and the California Desert Protection Act.

2. Land Reform (Grazing and Mining)

Public land reform is another key 1994 strategic initiative for the Department of the Interior. Included within this category is reforming rangeland management and supporting congressional efforts to reform the antiquated Mining Law of 1872.

Rangeland Reform '94 is a proposal developed in cooperation with the Forest Service designed to make the Bureau of Land Management's rangeland management program more consistent with ecosystem management, to restore and improve the ecological health of public rangelands, and to obtain fair compensation to the public for the grazing of livestock on public rangelands.

The Department's original proposal (published in August 1993 as an Advance Notice of Proposed Rulemaking) was opposed by various interests, and attempts by the Congress to address rangeland reform resulted in filibuster and stalemate. During the subsequent months, Secretary Babbitt engaged in extensive outreach in the West, consulting with Western

Governors and conducting meetings on rangeland reform in several Western states. The purpose of these meetings was to listen to Western positions and work toward consensus.

Last month, the Department published a revised proposal, with changes reflecting that consultation. The public comment period on this proposed rule expires on July 28. Between now and July 28, the Secretary will continue to meet with Western interests. In addition, the Department will hold public hearings in each BLM district (54 of them) simultaneously on June 8. Also, the Senate will hold grazing hearings in D.C. and possibly in the West over the next several weeks.

Through our various outreach efforts, we hope to avoid an appropriations battle in July or August; failing that, we hope that we will be able to prevail in such a battle.

DOI is also active with respect to Congressional initiatives to reform the Mining Law of 1872. The basic principles of the law enacted over 100 years ago are still largely intact and continue to govern hardrock mining on several million acres of federal land. Under the 1872 law, patents to federal land can be conveyed for $2.50 per acre to individuals who stake and maintain mining claims. Minerals can be mined on federal lands with no payment of royalty. Environmental standards for mine reclamation are absent from the statute. DOI is on record supporting reform that would abolish patenting, assure reclamation of mining operations, provide an adequate return to the taxpayer, and require payment of an annual fee by those who hold mining claims.

Both the House and the Senate have passed legislation to reform the statute, and the conference committee is expected to meet soon. Clearly, this is an issue on which support from the President would be useful.

3. Proving that the Endangered Species Act Works/ Avoiding "Train Wrecks"

To ensure that threatened and endangered species are protected and recovered, the Endangered Species Act (ESA) needs to remain a strong, effective conservation tool. We are committed to carrying out the ESA in a fair, efficient, flexible, and effective manner. We recognize that we can achieve these goals by taking advantage of many largely unused mechanisms in the ESA to resolve or avoid conflicts between protecting endangered species and meeting the short-term needs of our society. There are six key principles that serve as the framework for our efforts to improve ESA implementation: (1) prevent endangerment; (2) strengthen the safety net for listed species; (3) increase flexibility; (4) reduce delay and uncertainty; (5) ensure sound science; and (6) build stronger partnerships. Our efforts should be given a chance to work before Congress begins a process of amending the law.

The Departments of Commerce and the Interior are developing a package of joint administrative policy changes that will have an immediate and positive effect on how the ESA is implemented throughout the Nation by the National Marine Fisheries Service and the Fish and Wildlife Service. This effort is being coordinated with the White House's Office of Environmental Policy to ensure that it reflects Administration priorities and receives appropriate interagency review.

As outlined above, we will continue to highlight examples of how the ESA can, and does, work. As part of this strategy, we hope to postpone discussions regarding reauthorization of the ESA. Senator Baucus and Representative Studds have indicated that they would like to begin reauthorization of the ESA early in 1995.

DEPARTMENT OF AGRICULTURE

I. Reorganization

Delivering an aggressive rural development agenda, providing a strengthened food safety regulatory system, and demonstrating better service to farmers and other Department customers will be greatly enhanced by a reorganized and reinvented USDA. Reorganization is USDA's top priority for the remainder of 1994. Prospects are good for passage of legislation in the coming weeks, and we plan for rapid implementation. USDA expects to save over $2.3 billion over the next five years, a success story in this Administration's efforts to reinvent the Federal Government.

The USDA Reorganization Plan submitted to Congress refocuses and simplifies the Department's headquarters structure, with six customer-oriented mission areas. Within these areas and affiliated support units, the number of agencies will be reduced from 43 to 29.

The Department's county-based field structure will also be reformed by closing or consolidating some 1,100 local offices to create about 2,500 Field Office Farm Service Centers, providing one-stop services for USDA customers. Finally, the plan would reform the Department's management support systems by strengthening oversight, using technology more effectively, and consolidating administrative support staffs.

II. Food Safety and Nutrition

A. School Meals

The USDA initiative to improve school meal programs arose because few Federal school meals meet Dietary Guideline requirements. While current standards emphasize food adequacy (vitamins, minerals, and calories), they fail to fully consider current nutrition science consensus stressing the importance of limiting fat, saturated fat, cholesterol, and sodium, and the need to increase dietary fiber. The five guiding principles of this initiative are: healthy children;

customer appeal; flexibility; investment in people; and construction of partnerships. This initiative, including the publication of a proposed rule, may be announced in mid-May. The final rules would hopefully be implemented by the fall and the beginning of the school year.

B. Meat and Poultry Inspection

As part of our aggressive actions to reform the meat and poultry inspection system, USDA will continue to implement a comprehensive, multi-Agency program. USDA is also shifting emphasis from the detection of food safety hazards to improvement of public health by preventing tragic and costly foodborne illnesses. Microbial foodborne illnesses cause an estimated $3.9 billion to $4.3 billion in medical costs and reduced productivity each year.

We are developing a science-based, risk-oriented food safety program, which will encompass the entire farm-to-table food chain. This initiative includes the Pathogen Reduction Program (PRP). Its key elements include pathogen reduction, destruction, prevention, and education. In FY94, Congress approved the Administration's request for an additional $8 million for pathogen reduction activities. In FY95, the Administration is requesting an additional $25.8 million.

Within USDA, 70 food safety initiatives have been identified and are either completed or in progress, including: a traceback system for determining the source of microbial pathogens at the farm level; rapid testing methods for microbes; new production practices on-farm and in slaughter and processing plants; hiring additional food inspectors; research into the causes and prevention of microbes; mandatory handling labels on all raw meat and poultry products; consumer education about safe handling of meat and poultry; and stricter enforcement of current meat and poultry regulations. A recently conducted roundtable began the process of mandating a scientifically proven, internationally recognized bacterial prevention and control system, called Hazard Analysis of Critical Control Points (HACCP).

C. Pesticides

As part of a comprehensive review of food safety reform and improvement, USDA, the Environmental Protection Agency (EPA), and the Food and Drug Administration (FDA) have worked to develop a comprehensive Administration proposal addressing needed pesticide regulatory reforms. Included in these reforms are proposals to resolve the Delaney Clause paradox of current law, which forbids any pesticide residues of known carcinogens in processed foods, but which allows the same residues on raw commodities. The Delaney Clause would be replaced with a strong health-based standard of negligible risk. The package would also strengthen EPA regulatory tools, and propose mechanisms to speed up the development and registration of non-chemical alternatives to chemical pesticides.

III. Rural Development/Safe Drinking Water and Waste Disposal Systems

Rural Americans are often poorer than their urban relatives, and this gap is getting wider. There are many areas of rural infrastructure that are essential for long-term economic viability. The two current priorities of the Department of Agriculture are clean, affordable drinking water and environmentally sound waste disposal systems.

As many as 1 million households in rural and urban America are without clean hot and cold running water and proper plumbing. Most of the 57,000 community drinking water treatment facilities in the country are in rural areas and are out of compliance with current EPA regulations. Many rural communities lack wastewater treatment facilities and a significant number of rural communities lack clean, running water. The reauthorization of the Safe Drinking Water Act contains a $1 billion per year State Revolving Fund to bring facilities into compliance. The fund could ensure that every community has access to safe, affordable water and adequate wastewater systems by the year 2000. USDA would like to see the creation of an intergovernmental task force for this purpose.

At least six Federal agencies are involved in financing various aspects of rural water and sewer, each with separate application processes, rules, and requirements. We will propose methods of unifying infrastructure financing programs into a coordinated effort, with consolidated rules and application procedures. USDA will also propose the creation of a financing mechanism to leverage rural development guaranteed loan authority to provide security for qualifying loans. Additionally, we will target our funds to those communities that are least able to afford the costs of water and wastewater disposal systems.

IV. The 1995 Farm Bill -- Reauthorization of Farm and Non-Farm Programs

Every five years a Farm Bill is enacted to reauthorize food, fiber, conservation, research, trade, and food assistance programs. The 1995 Farm Bill is this Administration's first opportunity to achieve fundamental legislaion that will have big consequences for all Americans, particularly farmers and rural residents. The 1995 Farm Bill debate will encompass such issues as farm price and income support programs, farm credit programs, agricultural trade and promotion programs, global competitiveness, natural resource conservation, environmental protection, agricultural research, and food assistance programs.

Although initial Congressional action is nearly one year away, USDA has already begun to lay the foundation during 1994 for successful legislation in 1995. By working with other agencies, soliciting ideas from farm, environmental, consumer, and other groups, and identifying and analyzing alternative programs and policies, USDA will position and lead the Administration's effort to achieve the best possible legislation.

DEPARTMENT OF COMMERCE

The mission of the Department of Commerce is to ensure and enhance economic opportunity for all Americans -- a goal that is chiefly accomplished by providing U.S. businesses with the tools they need to be competitive in a global economy. In 1994, that requires successful:

(i) trade policy and enforcement of U.S. trade laws, which open markets, and **export promotion**, which helps U.S. businesses to take advantage of foreign markets once opened;

(ii) **civilian technology policy**, which equips U.S. businesses to compete in a world in which technology is moving fast, technological prowess is increasingly important, and **information infrastructure** is crucial to increased productivity and competitive success; and

(iii) **economic and sustainable development strategies** that address problems of **economic dislocation** and the importance of achieving economic development that is **environmentally sustainable.**

I. National Export Strategy/Big Emerging Markets: The basic trade mandate of the department, and its leadership of the Trade Promotion Coordinating Committee, (i) facilitates the coordination of export promotion within the Administration, (ii) ensures that export controls are streamlined and liberalized, and (iii) continues the nation's success in attracting tourism from around the world. Ten countries (which we characterize as the "Big Emerging Markets") are expected to provide the bulk of increased demand for U.S. exports over the next two decades (Argentina, Brazil, China, India, Indonesia, Mexico, Poland, South Africa, South Korea and Turkey). Implementation of our National Export Strategy thus requires particular focus on the Big Emerging Markets and the sectors that will be crucial to their development

Key Action Agenda:

-- Secretarial Announcement of the Follow-Up on Big Emerging Markets: May, 1994
-- Secretarial Advocacy Trip/Latin America -- May/June, 1994
-- Enactment of new Export Administration Act -- June, 1994
-- Announcement of Next Round of One-Stop Export Shops -- Summer, 1994
-- Secretarial Advocacy Trip/Asia -- August, 1994
-- Release of the Second Trade Promotion Coordinating Committee annual report to Congress on the success of our National Export Strategy -- September, 1994

II. Civilian Technology. Civilian technology policy assists high-quality U.S. companies to compete in open markets, both here and abroad. Thus, we are working with the private sector to (i) ramp up the highly-successful Advanced Technology Program, which funds high-risk research & development, (ii) implement the President's commitment to create a national network of manufacturing extension centers by 1997, and (iii) ensure the creation of the National Information Infrastructure -- and the Global Information Infrastructure -- by pushing for new regulatory regimes, protecting intellectual property rights in international markets, and working with public institutions.

Key Action Agenda

-- Announcement of new round of ATP program competitions -- April, 1994
-- Publication (for public comment) of inter-agency NII Application papers, addressing seven social uses of information technology -- May, 1994
-- Announcement of new Manufacturing Extension Centers -- Summer, 1994
-- Next round of ATP awards -- Fall, 1994
-- First award of NII grants -- September, 1994
-- Successful enactment of National Competitiveness Act of 1994 -- September, 1994
-- Successful enactment of NII legislation -- October, 1994
-- Annual announcement of Baldrige award winners -- October, 1994

III. Economic and Sustainable Development -- Widespread economic recovery cannot be maintained without attention paid to (i) communities suffering from specific economic dislocation, such as defense conversion and natural disasters, (ii) minority businesses that often find it hard to participate in generalized economic success, (iii) the coordination of federal assistance efforts in California, and (iv) programs that assure environmentally-sustainable economic development. Thus, this third strategic pathway links both environmental and geographic concerns to the broader vision of economic renewal. And these themselves can be linked through efforts like our New England Fisheries Recovery Plan, which joins short-term economic assistance with longer-term resource management.

Action Agenda

-- Announcement of the "Competitive Communities" program -- a new vision for economic development -- June/July 1994
-- Implementation of New England Fisheries Economic Strategic Vision -- July, 1994
-- Release of comprehensive policy statement -- "Commerce and the Environment" -- July/August 1994
-- Implementation of "Green GDP" statistical measures -- October, 1994
-- Announcement of Minority-Business Strategic Plan -- November, 1994

DEPARTMENT OF LABOR

The following are the Labor Department's top three strategic initiatives for 1994 along with the activities and dates associated with these initiatives.

Reemployment Act

The centerpiece of the Labor Department's "New Jobs" initiative is legislation that will transform our unemployment system to a reemployment system: the Reemployment Act of 1994 ("REA").

This presidential proposal will ease the transition from work-to-work by consolidating six programs for dislocated workers and creating one-stop centers for better service to dislocated workers. We expect the REA will be the subject of hearings in the House and Senate in May and that the REA will reach the House floor in June.

Our REA strategy includes a substantial public education program that involves extensive outreach to labor, business, and community leaders and the public release in May of a policy document entitled "What We Know" that sets forth the empirical evidence supporting our approach to a reemployment system.

OSHA Reform

The Labor Department pursues a high road/low road strategy with employers. Our "high road" strategy encourages companies to create and maintain high performance work organizations to maximize their competitiveness in the global economy. One of the most important elements of this strategy is legislation to reform the Occupational Safety and Health Act.

The reform legislation will require employers with eleven or more employees to, among other things, create worker-management safety committees and create safety and health programs. The legislation will also expand criminal penalties for violations of OSHA.

OSHA Reform will be the subject of a Senate markup in May. We expect action on the House floor before the July recess.

Enforcement

The Labor Department's "blocking the low road" strategy seeks to deter employers from meeting competitive pressures by violating the labor laws and workers' rights. The heart of this strategy is tough, responsible enforcement. Secretary Reich has articulated a four-pronged strategy: (1) targeting the worst actors and the worst acts; (2) protecting vulnerable populations; (3) deterring violations with significant penalties, including criminal penalties; and (4) getting results swiftly and efficiently. We expect the Secretary to continue making public statements throughout 1994 condemning the worst labor law violators and the worst acts.

The second element of our "low road" strategy is the strides we expect to make on the regulatory front. The Labor Department's Occupational Safety and Health Administration will hold public hearings on a safe and fair regulation governing indoor air quality in July. A final rule is expected in 1995. OSHA will also propose a standard that regulates ergonomics hazards in the fal!. We are working with the Pension Benefit Guaranty Corporation to reform the way the PBGC protects workers' pensions. We expect the reform legislation will continue to advance in the House.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Three priority 1994 strategic initiatives for the Department of Health and Human Services are Health Care Reform, Welfare Reform, Investing in Children.

HEALTH CARE REFORM

Because we anticipate that Congress will pass legislation this year, the horizon for reform activity is now through November. Considerable HHS time and resources will be devoted to analyzing and promoting reform, including activities of the Secretary and a number of senior appointees.

HHS ongoing activities include:

- First, **education.** Significant, coordinated, and sustained high-visibility efforts involving the President, the First Lady, Secretary Shalala, other Cabinet members and senior Administration officials will continue.
- Second, **assistance to Congressional members.** Provision of information and analyses to Congressional members and staff.
- Third, **implementation assessments.** Efforts of a more technical nature are continuing, to assure the capacity to implement reform as rapidly as possible following legislative passage -- for example, how to maintain insurance coverage during transition, development of health risk adjustment methodologies, alternative maintenance of effort approaches, and how to phase in reform.

WELFARE REFORM

A draft welfare reform proposal was presented to the President and the Cabinet on March 22. Included with the proposal were some major unresolved policy issues and proposals for financing options for review and consideration by the President. Our working timetable assumes introduction of legislation in mid-May, with circulation of draft legislative specifications and language to Departments in the weeks prior.

Consultations are now taking place with key members of Congress, governors and other state and local officials, and key interest groups. HHS staff are also working closely with White House staff to develop plans for roll-out activities associated with introduction of legislation.

INVESTING IN CHILDREN

Major undertakings which will enhance the quality of children's lives are the **Childhood Immunization Initiative** and expansion and improvement of the **Head Start** program.

There have been numerous activities and events related to the **Childhood Immunization Initiative**, which was announced by the President on April 20th. Upcoming events include:

- April 23-29 - National Infant Immunization Week begins "Phase I" of media outreach and other activities, followed by ten regional meetings to coordinate increased participation in State and local coalitions.

- Activities to reduce vaccine costs for parents, such as a meeting with 6 national physician's associations to discuss Vaccines for Children Program (VFC) (April 28), the award of the VPC vaccine contracts to manufacturers (July 30), and the commencement of the Vaccines for Children Program on October 1.

- Financial awards to states and major urban areas to improve vaccination services, planned for July, September and January, 1995 (totaling about $198 million).

- September 30 - Data on 1993 nationwide immunization levels released.

The Administration's draft bill reauthorizing and strengthening the **Head Start** program was submitted last February. Key events relevant to the Head Start program include:

- Signing Ceremony for the Head Start Reauthorization. An event is currently being targeted for May 18th which is the anniversary of when Head Start was first created.

- Zero to Three Initiative. The reauthorization and the Advisory Committee Report call for a significant consultation process in the development of a new 0-3 initiative. The process will need to be launched this summer in order to produce the guidelines for the program by September 30, 1994.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TOP THREE STRATEGIC INITIATIVES

- **Enable the poorest and most vulnerable people in our society to gain better opportunities and make transitions to self-sufficiency**

- **Maximize the range of choices in people's lives, opening up opportunities for every American to reach their full potential**

- **Empower and revitalize communities through investment, development, planning and organization-building to create safe, healthy, economically dynamic and integrated environments**

ENABLE THE POOREST AND MOST VULNERABLE PEOPLE IN OUR SOCIETY TO GAIN BETTER OPPORTUNITIES AND MAKE TRANSITIONS TO SELF-SUFFICIENCY

HUD INITIATIVES

Reduce Homelessness:

- Double the budget for homelessness
- Support "Continuum of Care" strategies
- Provide formula grants for emergency, transitional, and permanent housing with supportive services (e.g. family counseling, job training, and drug treatment)
- Increase rental assistance for permanent housing

Turn Around Public Housing:

- Tear down distressed high-rises and build attractive, safe, mixed-income communities
- Fight violent crime in public housing
- Create job opportunities and work incentives for public housing residents

Ensure Fair Housing:

- Expand fair housing and lending enforcement to combat discrimination and open up choices

POTENTIAL COLLABORATIONS

Reduce Homelessness:

- Homeless Assistance -- VA, HHS
- Welfare and Health Care Reform -- HHS
- Income Support -- Food Stamps (USDA), Earned Income Tax Credit (Treasury)
- Job Training -- Labor

Turn Around Public Housing:

- Fighting Crime -- Justice, Treasury
- Improving Distressed Public Housing -- National Service
- Family Investment -- HHS
- Job Training -- Labor
- Learning Skills and Safe Schools -- Education

Ensure Fair Housing:

- Fair Housing and Lending Enforcement -- Justice and other financial regulators

MAXIMIZE THE RANGE OF CHOICES IN PEOPLE'S LIVES, OPENING UP OPPORTUNITIES FOR EVERY AMERICAN TO REACH THEIR FULL POTENTIAL

HUD INITIATIVES

Expand Affordable Housing and Homeownership:

- Revitalize FHA's single family insurance
- Generate new sources of capital and new methods of financing housing (e.g. pension funds, risk-sharing)
- Increase counseling for homeownership
- Increase funding for Section 8 rental assistance

Increase Economic Opportunities:

- Create job training and employment opportunities, through such programs as Step-Up, Youthbuild, Economic Opportunity Grants and Family Investment Centers

Ensure Fair Housing and Lending:

- Build partnerships for enforcement, testing, and metropolitan strategies
- Provide rental assistance for persons with disabilities
- Expand counseling for rental housing search

POTENTIAL COLLABORATIONS

Expand Affordable Housing and Homeownership:

- Tax Incentives for Housing -- Treasury
- Affordable Housing and Homeownership -- USDA, VA

Increase Economic Opportunities:

- Business Opportunities -- Commerce, SBA
- Education, Job Training and Placement -- Education, Labor and National Service
- Welfare Reform -- HHS
- Employment Mobility -- DOT

Ensure Fair Housing and Lending:

- Fair Housing and Lending -- Justice and other financial regulators
- Family Investment -- HHS
- Residential Mobility -- DOT

EMPOWER AND REVITALIZE COMMUNITIES THROUGH INVESTMENT, DEVELOPMENT, AND ORGANIZATION-BUILDING TO CREATE SAFE, ECONOMICALLY DYNAMIC AND INTEGRATED ENVIRONMENTS

HUD INITIATIVES

Build Communities:

- Implement Empowerment Zones and Enterprise Communities including HUD's Zone Economic Development Initiative to fund economic development and affordable housing projects

- Build capacity of community development corporations through the National Community Development Initiative

- Support community-based organizations, urban design and planning through the Community Viability Fund

- Leverage private investment in retail and commercial development projects in low- and moderate-income communities through Neighborhood LIFT

- Improve neighborhoods through full funding of Community Development Block Grants

Strengthen Community Housing Investment:

- Support communities to design and implement affordable housing strategies through HOME Investment Partnerships

- Provide FHA insurance for no-downpayment mortgages in urban revitalization areas

POTENTIAL COLLABORATIONS

Build Communities:

- Economic Opportunities -- Labor, Commerce and SBA
- Empowerment Zones and Enterprise Communities -- USDA, HHS
- Strategic Planning and Infrastructure -- DOT
- Crime Prevention -- Justice, Treasury
- Community Health -- HHS
- Urban Design and Amenities -- Interior, DOT, NEA

Strengthen Community Housing Investment:

- Affordable Housing and Homeownership Strategies -- Treasury, VA and USDA

DEPARTMENT OF TRANSPORTATION

Initiative 1--- Creation of a Federal Corporation for Air Traffic Control

This initiative is among the most visible elements in the National Performance Review, the Presidential Aviation Commission's report, and the Administration's Aviation Initiative. The 38,000 employees in the air traffic control system play a central role in the nation's aviation infrastructure by moving 60 million flights a year. But the system's performance continues to be plagued by cumbersome procurement and personnel rules, and hindered by the annual Federal budget process. All of these obstacles have left the air traffic control system incapable of meeting the demands of the air travellers and the aviation industry. Establishing a Federal corporation will remove these obstacles to the system's modernization and improved performance. This initiative will also contribute to the Administration's larger efforts to revitalize the aviation industry.

Activities and Events

- May 3rd or 4th --- Current plans call for the Vice President and Secretary Peña to make the public announcement of the proposal.
- May 12th --- first Congressional hearing on proposal, before the Senate Transportation Appropriations Subcommittee.
- Objective is passage of legislation by fall 1994.
- Implementation of government corporation 12 months after enactment.

The Vice President has been very active already. The President's involvement may be requested on a selective basis. The Departments of Defense, Labor and Treasury, OMB, CEA, NEC and OPM have participated in the crafting of this proposal since last November. These departments and agencies will make their final review of the proposal next week. The Departments of Justice and State have also provided helpful comments on the proposal.

Initiative 2 --- Financing Infrastructure Investment

In response to Presidential Executive Order 12893 "Principles for Federal Infrastructure Investment", we have developed a comprehensive financial strategy to support increasing investments in infrastructure. The Federal Government is the primary player in transportation investment. This gives us enormous potential to act as a catalyst to leverage additional State and private capital. This potential can be realized by changing the way we implement Federal investments. By employing more commercial market strategies and moving beyond the limitations of the traditional grant reimbursement approach, we can accelerate State construction projects and create more jobs, with tangible benefits. The initiative will include individual implementation plans for each transportation mode.

Activities and Events

- In March 1994, FHWA established a program which allows us to construct incentives, remove barriers, and employ underutilized provisions of ISTEA. FHWA is working with States to develop financial plans for specific projects, testing what works best. We expect this process to provide working examples of innovative financings that can be applied elsewhere. Identification of similar types of projects is underway for the other modes.

Because this initiative will change how we approach transportation investments, it will need White House and OMB involvement. Over the next several months, discussions will center on potential legislation, unobligated balances and expanded loan provisions.

Initiative 3 --- Technological Innovation

This initiative follows up on the Administration's goals to encourage technological innovation and to find productive civilian uses for defense technology. Its objective is to create a new alliance between the nation's transportation and technology industries to make them both more efficient and internationally competitive. Transportation provides an especially effective opportunity for converting defense industries in areas of the country whose employment base has been heavily reliant on defense. Stimulated by the guidance in the President's Technology Policy, DOT has undertaken a comprehensive technology initiative, focusing particularly on how DOT can work with other agencies to direct research and development funding for new transportation technology. Thus far, about half of the contracts awarded under the Advanced Research Projects Agency Technology Reinvestment program have been transportation-related. The TRP's ATP program needs to continue to focus on transportation as a priority area. Key opportunities for technological innovations include the use of improved materials for vehicles and infrastructure, and the development of efficient and environmentally benign vehicle propulsion systems. Another key area would involve the ability to increase funding for demonstration projects to prove the viability of a technology.

Activities and Events

DOT will continue and increase its joint activities with other agencies, particularly NASA, EPA, and the Departments of Energy, Defense and Commerce. Regarding events that will affect this initiative:

- In May 1994, the National Science Technology Council committee's R&D budget guidance for FY96 will be completed.

- A Transportation Technology Fair is planned for the fall of 1994, and would represent an ideal opportunity for the President to receive credit for the Administration's efforts to preserve defense jobs while generating real near-term benefits.

DEPARTMENT OF ENERGY

I. NONPROLIFERATION

In recent months, the Department has reached agreements with officials of the Russian Federation to close down and replace its reactors that produce plutonium for nuclear weapons and to mutually inspect each others plutonium storage facilities in order to ensure that both nations are adequately safeguarding weapons grade-materials. The communities interested in these initiatives are concerned that we will not support these efforts with money. These inspections represent the first time that our governments have had access to such facilities.

The U.S. Government is also working to subject its excess nuclear weapons materials to international inspection to show the world that nuclear material from dismantled weapons is not being recycled in new weapons and to reduce the risk of diversion of these excess weapons-grade materials. All of these initiatives attempt to translate the President's September 27, 1993's United Nations speech on nonproliferation into action.

Key Activities and Related Events

Reactor shut-down under the auspices of the Gore/Chernomyrdin Commission

- We are assisting the Russian Federation in developing plans and identifying possible financing options to convert these reactors to alternative power sources. Once this occurs, the Russians can move forward.

Mutual Inspection

- During the course of the year, our political officials and technical experts will work out the terms under which the U.S. and Russian governments will inspect the other's plutonium storage facilities.

International Atomic Energy Agency (IAEA)

- During the year, the IAEA will be inspecting facilities at which the U.S. has excess weapons-grade material to ensure adequate safeguarding.

II. NATIONAL SECURITY AND INDUSTRIAL COMPETITIVENESS

The Department of Energy oversees the largest laboratory complex in the world. The Department is the fourth largest funder of Science and Technology activities across the federal government after the Defense Department and National Institute of Health, and represents 10 percent of federal support for Science and Technology. The end of the Cold War has raised questions as to the future of the defense laboratories (Los Alamos, Sandia, Lawrence Livermore).

In particular, the question is how to redeploy the assets of the three defense laboratories "to enhance civilian economic performance," while maintaining the core competencies of the laboratories to insure National Security. The potential closure of one of these facilities has raised great concern in California and New Mexico.

To address these issues, Secretary O'Leary has appointed Robert Galvin, Chairman of the Executive Committee of Motorola, to chair an independent task force of experts knowledgeable about the laboratories to determine what the size of the complex ought to be, and future missions. This is in conjunction with legislation on Capitol Hill which attempts to redefine the missions of the laboratories in the post-Cold War era. The defense laboratories provide the technology to ensure nonproliferation, verification of our international arms control agreements, and are also essential to achieving the President's nonproliferation objectives.

Key Issues and Related Activities

- Mr. Galvin's report will be provided to the Secretary in February of 1995.
- The Galvin Task Force will develop a tool for examining quality of federal laboratories, based on experience from Motorola.
- The Galvin Task Force recommendations will contribute to interagency laboratory review conducted under auspices of the National Science and Technology Council. The interagency review also will address the labs of the Department of Defense and National Aeronautics and Space Administration (NASA).
- Product for the Administration in early 1995 will be the first post-Cold War, integrated examination of the major Federal laboratory systems. This examination will contribute to the goal, announced in February as part of the President's technology policies, of ensuring that federal R&D is aligned with contemporary national needs.

Legislation

- During this session, legislation in the House will likely come to a floor vote and then there will be a conferencing committee with the House and Senate to reconcile the two bills.

III. GLOBAL CLIMATE CHANGE

The Department is the lead agency in implementing the President's Climate Change Action Plan. Out of the $1.9 billion of federal investment necessary to implement the Plan, the Department will expend approximately $1.3 billion. At issue is whether the Congress will support the Administration's Climate Change initiative. If it does not, there will be significant questions raised as to whether the President's program is adequate to achieve the objective of returning Greenhouse Gas Emissions to 1990 levels by the year 2000. If we are not successful, there will be calls to develop a much tougher package. This will be extremely controversial.

DEPARTMENT OF EDUCATION

1. PROMOTE SYSTEMIC SCHOOL REFORM (Goals 2000)

An Overview

Comprehensive and sustained reform -- involving a partnership between the federal government, states, local schools, parents and communities -- is the key to improving schools and student performance. It begins with the premise that high standards will replace minimum standards and that high standards must be for *all* children. To help all children reach high standards, all parts of school systems must be aligned to match the challenging academic standards states are developing. Thus, to achieve real reform for elementary and secondary education, schools need: (1) challenging content standards that describe what all students should learn; (2) a meaningful and enriching academic curriculum and teaching and professional development that are aligned with the standards; (3) performance based accountability; and (4) bottom up flexibility for schools and districts to respond to the specific needs of their students.

On March 31, 1994, President Clinton signed into law Goals 2000: Educate America Act -- the vehicle by which we will achieve real reform. Incorporating and building on the lessons of the last decade, this bill sets in law the six original National Education Goals and adds two more -- parental involvement and professional development. The initiative develops and adopts for the first time challenging *voluntary* national performance standards that define what all students should know and be able to do in core subjects areas like science, math, history, English, economics, civics and government, geography, foreign languages, and the arts. It provides resources to states and local districts to strengthen and improve teacher training, textbooks, instructional materials, technologies, and overall school services so that students will have the tools to achieve high state standards. The bill also encourages the development of innovative student performance assessments to gauge progress and establishes a National Skills Standards Board to promote the development of occupational skill standards that will define what workers will need to know to better compete in an international competitive America. Finally, the bill increases flexibility for states, school districts and schools by waiving rules and regulations that might impede local reform and improvement. *(Note: Reauthorization of the Department's Elementary and Secondary Act of 1965, expected by early summer, dramatically redirects all ESEA programs to support high standards for all children, improved teaching and learning, and the other systemic reform efforts launched by each state under Goals 2000. The same is true for reauthorization of the Individuals with Disabilities Education Act as it relates to disabled children.)*

Key Activities/Events

At a signing ceremony in California, the President signed Goals 2000 into law. In May, however, the White House and the Department of Education will host a significant White House event helping to kick off implementation and better inform the public. We hope to organize the event around the eight education goals in partnership with relevant agencies. For example, Goal 1 is that all children begin school ready to learn. Achievement of this goal involves a number of initiatives including immunization for children and other health-related issues. In this regard, the Department of Health and Human Services, which champions Headstart programs, among other things, will be key in successfully demonstrating why this goal is important, how its achievement will affect our kids and our schools.

Key Dates Driving Implementation

The Department has already begun preparing for reform. However, in addition to the White House event, the Department will on May 25-27 host an orientation conference with six key representatives from each state being invited.

2. CREATE A COMPREHENSIVE SCHOOL TO WORK TRANSITION SYSTEM IN EVERY STATE

An Overview

Currently, the United States lacks a comprehensive and coherent system to help young people acquire the knowledge, skills, abilities, and information about the labor market necessary to make an effective transition from high school to career-oriented work or further education. Because not every young person in high school goes on to attend a two or four year college, we as a Nation must provide the tools they need to compete in a increasingly competitive global society. The School to Work Opportunities Act of 1993, expected to be passed this month, is the Administration's priority initiative to prepare America's youth for a first job in high-skill, high-wage careers, and to increase their opportunities for further education. A historic partnership between the Departments of Education and Labor is promoting the creation of these comprehensive systems in every state. Working together, and through Planning and Development Grants and Implementation Grants, the two Departments have already begun to administer the program that will also include jointly carrying out research, demonstration, evaluation, technical assistance, training and dissemination activities, monitoring State and local programs, and establishing in concert with the States, a system for developing and reporting performance outcomes. No doubt, the manner in which the two agencies jointly administer the initiative will send a powerful signal to others as to the strength of the commitment we have to doing business in a significantly different way.

Key Activities/Events

While the Departments of Education and Labor have long begun significant work to advance this initiative, passage is expected by the end of this week, with a bill-signing event scheduled at the White House for April 27, 1994.

3. ENSURE ACCESS TO HIGH QUALITY POSTSECONDARY EDUCATION AND LIFE-LONG LEARNING

An Overview

In 1991, enrollment in postsecondary education in America represented 63% of recent high school graduates. Still, large disparities in enrollment rates remain between low and high income students -- only 40% of high school graduates from the bottom income quartile enrolled in college as compared to 78% of students from the top income quartile. **Further, low income students are less likely to attend four year colleges than students from any other income category.** And, students must complete their education to gain many of the economic and social benefits of postsecondary education.

The primary Federal strategy for equalizing postsecondary access is through the provision of student aid to needy families. For example, in 1992-1993, the Department of Education made available almost $24 billion, mostly in loans and grants, to help low income and other students attend institutions of postsecondary education.

Despite this investment, the quality of education students receive is not equitable. The newly enacted Direct Loan program and its Income Contingent Loan repayment option are important initial steps in helping America's young people realize their postsecondary aspirations and creating better equity. They are designed to remove financial barriers by providing an appropriate combination of grants, loans, and work study funds that meet the needs of students at all income levels in financing postsecondary education. The programs will also work to offset the Department's past history of difficulties in administering student financial aid.

Finally, with initiatives like School to Work, the Department is also working to enable adults to have access to a system of lifelong learning in order to advance literacy, employment, and personal development, and to promote diversity in institutions of higher education.

Key Activities/Events

The Federal Direct Student Loan program became law on August 10, 1993 when the President signed the Student Loan Reform Act as a part of the Budget Reconciliation Act.

Key Dates Driving Implementation

Direct lending will begin on July 1, 1994.

DEPARTMENT OF VETERANS AFFAIRS

Health Security Act. The Health Security Act (H.R. 3600/S. 1757) maintains and strengthens an independent VA health care system. Under the President's proposal, the VA will be a full participant in the new national health care arena.

This bill is good news for veterans because for the first time all veterans will have access to VA health care, no veteran presently entitled to care will lose any benefits, and competition for patients will require VA to increase its emphasis on customer service. Of all the plans proposed, the President's plan is the only one that addresses veterans and goes a long way towards solving two major problems that threaten VA's future -- our complex, fragmented eligibility rules and our chronic, tight fiscal situation. Under the bill, our ability to provide the comprehensive package to all our enrollees achieves eligibility reform, and we gain access to new funding streams -- insurance premiums, Medicare reimbursements, and a $3.3 billion investment fund.

With respect to delivery of care at VA hospitals, we will do whatever is necessary to be sure that veterans are treated equally. VA is presently conducting its own research to determine the reasons for racial variations recently identified in certain types of treatments in VA hospitals. The choice and use of medical procedures must be determined by medical issues alone and not societal factors, including racism. VA will not tolerate inequitable treatment for minority veterans.

We will continue to seek support aggressively from veteran service organizations, veterans, and other interested groups for the President's national health reform proposal. As the bill moves through Congress, many changes will be proposed. We will need strong, consistent White House support to fight for the interests of veterans and to ensure that the final package allows VA to continue to exist as a comprehensive health care system for our nation's veterans.

Claims Processing. To deal with increasingly time-consuming responsibilities required by the U.S. Court of Veterans Appeals, we are examining every aspect of our claims process from the point of discharge from service, through initial claims processing, to decisions on appeal. Because unavailability of military medical records substantially delays claims processing, we are working with DOD to transfer medical records of all separating members directly to VA. We are also working with the DOD to provide comprehensive benefits information to all members about to be discharged, and we are exploring the possibility of combining related benefits, e.g., disability compensation and retirement pay, of our two departments into a single monthly payment.

Our goal is to reverse by 1998 the increase we have experienced over the past few years in the average time needed to adjudicate claims. To accomplish this, we are implementing the recommendations of our 1993 blue-ribbon panel, which conducted an exhaustive review of benefits processing. In addition, we are modernizing our claims processing systems to: increase speed, accuracy, and access; eliminate paperwork and file searches; and facilitate data exchanges within VA and with other government agencies. We have also requested legislation to streamline appeals processing and Congress is expected to enact it this Spring. In addition, VA's Select Panel on Productivity Improvement for the Board of Veterans Appeals, recently established by the Secretary, will recommend further improvements for appeals processing by the end of May.

Although much work needs to be accomplished, we are seeing some positive results. VA's New York City Regional Office is using a redesigned process and self-directed work teams in a prototype unit which won the Vice President's first National Performance Review Hammer Award. Assessment of the prototype is continuing and we are evaluating the feasibility of duplicating this prototype and others in Portland, Jackson, and Oakland throughout our system.

Environmental Health Issues. Environmental and other toxic exposures have continued to pose increasing challenges to VA over the last quarter of this century. Those include the health concerns of Persian Gulf veterans, the effects of possible radiation experimentation on VA and DOD patients, disabilities resulting from exposure to Agent Orange or from radiation from atomic weapons tests, and experiments involving exposure of our troops to mustard gas. Our approach in all of these areas is, with DOD help, to discover and disclose to the American people all of the pertinent facts, to contact the affected veterans and to assist them with any health and disability benefits for which they are eligible, and to pursue research necessary to substantiate any additional benefits for affected veterans.

Soon after the first concerns were raised by Persian Gulf veterans, VA established a registry which contains data describing comprehensive medical examinations, baseline laboratory tests, and other tests when indicated. This registry now contains information on more than 16,000 veterans who asked for registry exams. VA provides treatment for medical conditions that might possibly be a result of environmental exposure in the Persian Gulf with special referral centers in Los Angeles, Houston, and D.C. VA participates with DOD and HHS in the Persian Gulf Veterans Coordinating Board. The Board's objectives are to find causes, determine treatments, and develop guidelines for compensation. NIH will have the lead on developing definitions of illnesses, National Academy of Sciences (NAS) will conduct an independent review of possible health effects of service and make its report in 1995, and VA will establish its own research centers.

VA is committed to a full and open examination of the nature, extent, and effects of possible human radiation experiments at VA facilities involving intentional exposure to ionizing radiation. A departmental review is now underway to assess the conduct of human radiation experiments research that was financed or supported in any way by VA. If abuses occurred, VA is fully prepared to take whatever action necessary to address the possible health care and other needs of veterans who may have suffered from such experimentation.

VA provides care to Vietnam veterans for conditions which may have resulted from exposure to Agent Orange. Information on over 230,000 Vietnam veterans is contained in our Agent Orange registry. VA now provides compensation benefits for chloracne, soft-tissue sarcoma, non-Hodgkin's lymphoma, porphyria cutanea tarda, and Hodgkin's disease.

Regulations have been proposed to grant benefits for respiratory cancers and multiple myeloma. Over 1,200 Vietnam veterans are receiving compensation for disabilities which they claim are related to Agent Orange exposure. NAS is proposing a further two-year study of the relationship of dioxin to prostate cancer and peripheral neuropathy.

With respect to mustard gas and Lewisite, active duty military personnel were used as human subjects during World War II secret tests of protective clothing against blistering agents. Subsequently, the government refused to acknowledge the tests. When the issue became public in 1991-92, VA acted quickly to redress wrongs by proposing administrative rules acknowledging certain long-term effects of exposure to mustard gas and by funding a NAS literature search. In January 1994, VA extended the presumption of service connection beyond veterans exposed during full-body chamber or field experiments and added more presumptive conditions for which VA would pay disability compensation.

VA has developed regulations listing 19 radiogenic diseases for which service connection may be granted for ionizing radiation exposure while on active duty. We are proposing a new regulation which would grant service connection for brain and central nervous system tumors and preparing additional regulations regarding other cancers.

To ensure that veterans are not needlessly disadvantaged by military service due to toxic substance exposure, environmental hazards, or improper experimentation while serving on active duty, I am working with the Secretary of Defense to establish an interdepartmental working group to design and undertake review projects, other than appropriately approved medical research. Through close working relationships with DOD, our support to any affected veterans will be quick and responsive.

ENVIRONMENTAL PROTECTION AGENCY

My objective is to reshape fundamentally the way the American public views environmental protection, the way the environmental policy debate is conducted and the way our environmental regulatory and legal systems operate.

Since the early 1970s, the United States has created a large, complex bulwark of statutes, regulations and policies designed to protect our environment. The first generation of environmental laws gave us the tools to address many of the most urgent and obvious public health and environmental hazards. But those laws often created a zero-sum game in which public health gains seemed to come at the expense of jobs and business. Antagonism and tension grew to dominate the environmental policy arena. EPA and the courts had little to do but act as referees, deciding how much pollution to allow.

To move beyond environmental regulation and achieve true environmental protection, we need a new generation of environmental policy that sets strong environmental goals, but is flexible enough to allow innovation and common sense in how those goals are met. To accomplish this end, I will focus my efforts in three areas.

1. Key Legislative Reforms

To make real change in our environmental policy structure, we must reform many of our major environmental statutes, some of which are more than a decade old. Working with the White House and other agencies, my legislative efforts will focus on reform of the Safe Drinking Water Act, the Clean Water Act, Superfund and our food safety laws.

- **Safe Drinking Water Act** - A new Safe Drinking Water Act will shift our focus upstream, promote pollution prevention, and support municipalities by providing additional financial support (through a new revolving loan fund) and allowing more flexibility to target resources toward the greatest risks.

- **Clean Water Act** - The Administration's Clean Water Act reauthorization package will change the law to address the most important remaining threats to our nation's waters (non-point source pollution) and focus on ecosystems, while cutting approximately $30 billion a year in compliance costs and providing sorely needed funds to state and local governments.

- **Superfund** - Our Superfund reform package is designed to make the program faster, fairer and more efficient. New provisions will reduce litigation, direct more money to cleanups, and provide for earlier and more consistent community involvement in decision making. The reform packages also will help create jobs by accelerating redevelopment of contaminated urban sites.

- **Food Safety and Pesticides** - Last week, EPA, USDA and FDA completed a package of food safety legislative recommendations that will increase protection for children, reduce the use of pesticides nationwide, and establish a strong, health-based standard for all pesticides and all foods.

2. Policy and Regulatory Reforms

Environmental regulations and policy also need an infusion of new thinking. The current regulatory structure can be burdensome and over-prescriptive, which stifles innovation. At the same time, the current system often does not achieve the best environmental outcomes. We are conducting a number of activities to address this issue, but I believe our efforts are best captured by the "Common Sense" Initiative.

Under the Common Sense Initiative, EPA will re-think environmental policies on an industry-by-industry basis as opposed to media-by-media (e.g., air, water). EPA will work with business, environmental groups and state and local governments to identify opportunities for "cleaner, cheaper, smarter" results in several pilot industries. EPA will work closely with the stakeholders address six areas: (1) regulation; (2) reporting; (3) permitting; (4) pollution prevention; (5) compliance and (6) environmental technology.

3. Agency Management Reforms

Finally, we must improve Agency management in a number of ways. EPA's ability to accomplish its mission has been undercut by years of attack on the way the Agency has managed its resources, particularly in the areas of contractor relationships, priority setting and sound science. Over the last year, I've taken a number of steps to turn these problems around, including a contract reform initiative and a complete reorganization of the Agency's enforcement operations.

For example, the 1995 budget request will streamline the EPA contracting process and convert critical functions from contracts to full-time EPA staff. We will change our management structure to ensure that we get back on track to meet statutory deadlines. We will expand the universe of environmental information collected by EPA and manage it differently to make it more accessible to the public. And we will improve our scientific review processes to ensure the best possible use of science in decision-making.

OFFICE OF MANAGEMENT AND BUDGET

1. Legislative Action on the President's FY 1995 budget

Congressional Budget Resolution

Currently House and Senate conferees are negotiating on a FY 1995 budget resolution conference report. The primary issue is the cut of $19 billion in outlays over five years in discretionary spending adopted by the Senate in the Exon-Grassley amendment. For FY 1995, the amendment cuts $1.6 billion in outlays.

While the Senate cuts are unspecified, they would likely be taken from defense, foreign affairs and the Administration's domestic investments. The cuts would likely be distributed on a 50/50 basis - 50% from defense, or about $9.5 billion in outlays over five years, and 50% from non-defense, again about $9.5 billion in outlays over five years.

The House defeated a motion to instruct conferees to accept the Exon-Grassley cuts, setting the stage for an effort by the Administration to reduce and possibly eliminate these spending reductions. Currently Senators are being contacted to explore whether support exists for a conference report reflecting the higher House spending levels.

Appropriations Process

As was the case last year, the Administration will need to work as a team to fight for the President's investment proposals in the congressional appropriations process. In last year's process 70% of the President's investment requests were enacted. This year's budget is much tighter and the Administration's proposed cuts are much tougher. It will be difficult to convince the Appropriations Committees to cut into long established programs to create room for the President's investment agenda.

The Administration will have to carefully target key investments and push hard for substantial funding increases. This process will begin with the 602(b) allocations in the House Appropriations Committee. The Committee members will begin discussing the 602(b) allocations after adoption of the budget resolution conference report.

2. Ongoing Administration Initiatives

Resources for Administration Initiatives

Under the Budget Enforcement Act any new program which increases spending or reduces revenues must be offset by an equivalent amount of spending cuts or revenue increases. The costs of two major Administration initiatives - Welfare Reform and GATT - will have to be offset to comply with the pay-as-you-go mandate in the Budget Enforcement Act. OMB has been working with the relevant agencies to develop offsets. Administration-wide cooperation will be necessary to complete the task.

Procurement Reform

Currently both the House and the Senate committees of jurisdiction are working on a comprehensive procurement reform bill. Floor action in both Houses is possible in May, and a conference report could be agreed to sometime this summer. This legislation will simplify the process for government contracts worth less than $100,000, and for contracts to buy goods and services that are available in the commercial marketplace.

3. Preparation of the Administration's FY 1996 budget

There was tremendous collegiality in developing the President's budget last year. It is hoped that the FY 1996 process will build on last year's success.

The following is a tentative schedule for preparation of the Administration's FY 1996 budget.

o April - Initial guidance is given to agencies. This will include planning guidance for FY 1996 and the outyears, FY 1997 to FY 1999. Guidance on FTE employment levels will also be given to agencies along with requests for streamlining plans, i.e. how an agency plans to restructure its workforce.

o Mid-July - Revised guidance to agencies. This will be provided if necessary to further refine agency funding levels.

o Early September - Agencies submit their FY 1996 budget requests to OMB.

o Mid-September to mid-October - Agencies discuss their requests with OMB.

o Mid-October to mid-November - OMB, in conjunction with the NEC, evaluates requests, focussing on the President's top priorities and aggregate budgetary constraints.

o Prior to Thanksgiving - Based on the evaluations, OMB recommendations are shared with agencies.

o Late November to mid-December - Presidential reviews with the agencies are held.

o December 19 - Final Presidential decisions completed.

o February 6 - FY 1996 Budget transmitted to Congress.

THE UNITED STATES MISSION TO THE UNITED NATIONS

1. FIX UNITED NATIONS PEACEKEEPING.

UN peacekeeping is a significant contributor to our national security strategy. We want to have confidence that when we decide it is in our interest to support a UN peace operation, the UN will be able to get the job done, in a cost-effective manner, in a finite period of time.

The Administration is in the final stages of a comprehensive review of peacekeeping policy. Implementation of that policy will require continued close cooperation among the U.S. Mission to the UN, the White House and the Departments of State and Defense. We are already implementing important elements of the policy, including:

o more rigorous decisionmaking in determining whether to support, or to participate in, a UN peace operation;

o strengthening UN capabilities in the areas of command and control, planning, communications, intelligence and logistics;

o reforming budgeting and procurement procedures; and

o ensuring that satisfactory command and control arrangements are in place whenever U.S. forces participate in a peacekeeping operation.

Key events related to the achievement of this objective include: (1) possible Presidential signing of the draft Presidential Decision Directive on peacekeeping; (2) gaining Congressional support for meeting our unmet financial obligations for UN peace operations (which will exceed $1 billion in fiscal year 1994); and (3) endeavoring continually to enhance the credibility and effectiveness of UN peace operations, especially in high-profile, high-stakes situations such as Bosnia.

2. UNITED NATIONS REFORM.

The UN emerged from the Cold War with serious administrative and management deficiencies. As presently constituted, it is unable to take full advantage of opportunities for addressing international problems.

Our objective is to gain support among UN members for reforms that will increase accountability, efficiency and transparency within the UN. Elements of this strategy include:

o <u>The establishment of a high-level, independent office at the UN with the functions of an Inspector General</u>. This concept was approved by the General Assembly, in principle, last December. We are working to ensure that such an office will be institutionalized this spring or fall.

o The appointment of a highly-qualified and aggressive UN Undersecretary General for Management. This past week, the Secretary-General appointed an American, Mr. Joseph Connor, to this key post, which is responsible for financial and personnel matters at the UN.

o Reducing the U.S. Share of United Nations Peacekeeping Costs. We are committed to reducing the U.S. share of UN peacekeeping assessments from the current level of more than 30% to 25% by the beginning of 1996. This would result in annual savings in excess of $150 million. Consultations are underway in New York and in key capitals to explain our views. Action may be taken by the General Assembly this year that will result in at least some reduction in the US peacekeeping share. Congressional interest in this initiative is high.

3. USING THE UNITED NATIONS TO ADVANCE THE ADMINISTRATION'S AGENDA ON GLOBAL ISSUES.

The United Nations is the only organization with near-universal membership and global legitimacy. It is in a unique position to respond to the many challenges that transit national borders. The Mission's goal, in cooperation with the White House, the Vice-President, the Departments of State, Defense, Justice and Commerce, and the Environmental Protection Agency, is to work through the UN to elevate standards of international behavior in areas of importance to the American people.

Elements of this strategy include support for:

o implementing the environmental initiatives approved at the 1992 "Earth Summit", including the Commission on Sustainable Development and the Global Environment Fund;

o the International Atomic Energy Agency's efforts to prevent the proliferation of nuclear weapons;

o maintaining tough economic sanctions against outlaw regimes in Libya, Iraq, Serbia/Montenegro and Haiti;

o the newly-established UN High Commissioner on Human Rights;

o UN election-monitoring and democracy-building initiatives in South Africa, El Salvador, Mozambique and elsewhere;
o the War Crimes Tribunal for Former Yugoslavia and for creation of an International Criminal Court; and
o the UN's anti-narcotics efforts.

UNITED STATES TRADE REPRESENTATIVE

Uruguay Round Ratification and WTO Implementation

Congressional approval for the Uruguay Round is of the utmost importance. This agency, in cooperation with other Cabinet offices and NEC, will work toward its ratification. The issue of funding has and will continue to be the most difficult obstacle we face. Beyond the normal issues associated with implementation, we will be asking for continued fast track authority as well as developing the new agenda for the WTO.

Asia

Working with Bob Rubin, and members of the NEC, it is of the highest priority to seek a successful <u>completion</u> of the Framework Agreement. We will continue working on our Bi-Lateral Agreements as well as assuring a successful APEC ministerial meeting with the President in November.

We will be working with the other agencies in regard to China's market access issues, GATT accession and IPR investment protection.

Latin America

As we look past NAFTA, the Office of the Trade Representative's priority will be toward developing the building blocks for a Hemispheric Free-Trade Agreement. This will also include resolving the CBI parity and, later this year, working with the Vice President to secure a successful Summit of the Americas.

OFFICE OF NATIONAL DRUG CONTROL POLICY

The overarching goal of the National Drug Control Strategy is to reduce the number of drug users in America. The ultimate measure of the wisdom of the President's Strategy and of our effectiveness in implementing it will be determined by the extent of that reduction, as measured both by the number of users—casual and heavy—and by the amount of drugs they consume.

1) TREATMENT INITIATIVE FOR CHRONIC, HARDCORE DRUG-USING POPULATION (primarily cocaine and heroin)

The first and most important drug-control initiative for 1994 is our focus on the most tenacious and damaging aspect of America's drug problem—chronic, hardcore drug use and the violence it spawns. Past national drug control strategies have failed to come to grips with the harsh realities of chronic, hardcore drug use, the underlying causes of such addiction, and the human and societal harms that hardcore drug use causes. To reverse this trend, the *1994 National Drug Control Strategy* proposes an increase of $355 million to expand treatment opportunities for hardcore users—the largest such effort to date—to allow for the treatment of an additional 74,000 hardcore users next year. When coupled with drug treatment resources from the Crime Bill, this initiative will allow for the treatment of a total of 140,000 hardcore users next year.

2) PREVENTION INITIATIVES TO REVERSE THE DEVELOPING UPWARD TREND IN THE USE OF DRUGS BY ADOLESCENTS AND TO EMPOWER COMMUNITIES TO ADDRESS THE PROBLEMS THEY FACE.

A second focus of the *1994 Strategy* is a broad and interrelated effort to prevent all illicit drug use, including casual use by the young and drug use by other populations at high risk. The most effective strategies for preventing drug use, keeping drugs out of neighborhoods and schools, and providing a safe and secure environment for our youth are cooperative efforts that mobilize and involve all elements of the community to work together to address the problems they face. In order to enhance school-based prevention programs, the Administration has requested an increase of $191 million for the Safe and Drug Free Schools and Communities State Grant and the Safe Schools Program.

3) CHANGE IN INTERNATIONAL FOCUS FROM THE TRANSIT ZONE TO THE SOURCE COUNTRIES.

The *1994 Strategy* calls for changing the way international drug control programs are viewed. The new international strategy calls for a "controlled shift" in emphasis from the transit zones to the source countries. This will make our efforts more cost-effective, and will allow us to rapidly and appropriately respond to changing tactics, smuggling routes, and methods. With this shift we make it clear that international drug trafficking is a criminal activity—one that threatens democratic institutions, fuels terrorism and human rights abuses, and undermines economic development, worldwide. But, given the scope of the trafficker challenge and mindful of the limitations of our current resource restrained environment, it is essential that we seek cooperative efforts with other nations that share our political will to defeat the international drug syndicates. We will work with these to build host nation institutions, attack the traffickers' production facilities, interdict drug shipments, and dismantle their organizations.

KEY ACTIVITIES AND EVENTS RELATED TO THESE INITIATIVES

(numbers key to the above initiatives)

The reauthorization of ONDCP; with appropriate powers, required new authorities, and needed coordination/oversight capabilities is key to the accomplishment of all three initiatives. The Administration submitted reauthorization legislation for ONDCP on Nov 12, 1993.

1) Development and negotiation of an appropriate legislative proposal, one that fully supports the initiative; development of Requests for Application (RFA) and Notices of Funding Availability (NOFA) proposals that fully support the President's chronic, hardcore user initiative, and prompt awarding of the grants under this initiative, so treatment can begin.

Successful passage of a fully-funded crime bill with all key Administration-supported components and initiatives included.

Continued development of the recently established "Distribution High Intensity Drug Trafficking Area Program" in Washington-Baltimore, which will broaden the traditional law enforcement activities to include demand reduction initiatives.

2) Execution of a planned series of meetings to determine the causes of the current problem, development of options to address it, and selection of specific courses of action for Federal, State/local, and non-government agencies and organizations (beginning April 26 and concluding in September, 1994).

3) Formation and empowerment of the Counternarcotics Interagency Working Group and appointment of an Interdiction Coordinator. BOTH HAVE BEEN ACCOMPLISHED.

KEY DATES DRIVING IMPLEMENTATION STRATEGY

ONDCP is in the process of developing a comprehensive implementation package, based on the 1994 Strategy. We expect to transmit that package to the drug control Departments and agencies in May. It will contain all the President's drug-related goals and objectives, and will identify the Department having the lead, as well as those with secondary or supporting roles to play in the implementation of the goals. Also included will be guidelines on requirements for reporting on progress in achieving these goals.

ONDCP has also begun the process for the drug budget certification cycle for FY 1996. Agency submissions will be provided to ONDCP in June, while the Departmental submissions will be available in October. Development of key Administration funding priorities and submission of proper funding requests in support of them is key to all the above initiatives, as well as to those drug initiatives that are developed during the consultation and development phase for inclusion the 1995 drug strategy.

Also key for ONDCP are the confirmation of Deputy Directors for Demand and Supply Reduction and an Associate Director for State and Local Affairs, before Memorial Day.

Another key factor is the establishment of ONDCP's Research, Data, and Evaluation Committee, which will establish policies and priorities for drug control research and review and monitor all phases of drug-related data collection, research, and evaluation. The Committee will be established and will meet in June of 1994.

Agency Profiles

AGENCY PROFILES †

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† Submitted by agency representatives

April, 1994

DEPARTMENT OF STATE

HISTORY

The Department of Foreign Affairs was created by act of Congress on July 27, 1789. The name was changed to the Department of State on September 15, 1789.

MISSION

The Department's fundamental mission is the formulation and achievement of U.S. foreign policy objectives. Abroad, the Department represents the U.S., its moral, social and economic values; protects American citizens; reports on developments affecting U.S. interests; negotiates agreements; administers consular services; coordinates programs that involve other agencies; and influences the decisions of other governments.

OPERATIONS/STRUCTURE

At home, the Secretary of State serves as the senior foreign policy official after the President and the Vice President. He plays an key role in implementing Presidential foreign policy priorities -- specifically on the management of the Function 150 Account of the President's budget submission. The Department analyzes external developments; develops appropriate policies; participates in inter-agency policy-making; and fully supports our overseas activities.

The Department is divided into five main clusters of activities, each with an Under Secretary as follows:

- Under Secretary for Political Affairs
- Under Secretary for Economic and Agricultural Affairs
- Under Secretary for International Security Affairs
- Under Secretary for Management
- The Counselor of the Department (to become the Under Secretary for Global Issues).

Twenty-four bureaus report to the Under Secretaries. There are three main types:

- Regional bureaus manage U.S. relationships with countries and regional groupings in Africa, Central and Latin America, East Asia and the Pacific, Europe, the Near East, and South Asia. The Bureau of International Organizations Affairs sometimes is included in this category.

- Policy bureaus work on clusters of issues which cross regional lines. Examples are the Bureau of Politico-Military Affairs; the Bureau of Human Rights Affairs; the Bureau of Consular Affairs; the Bureau of Oceans and International Environmental and Scientific Affairs. The Department is reorganizing some of these bureaus to meet the President's foreign policy priorities -- especially on "global issues" -- and is awaiting the passage of the State Authorization Bill to make formal organizational changes.

• Support bureaus which provide support to overseas posts and domestic bureaus, including the Bureau of Personnel, the Bureau of Finance and Management Policy, the Bureau of Administration, and the Bureau of Diplomatic Security.

The Department manages U.S. relations with some 175 countries through 270 overseas (and one domestic) posts, divided into three main types:

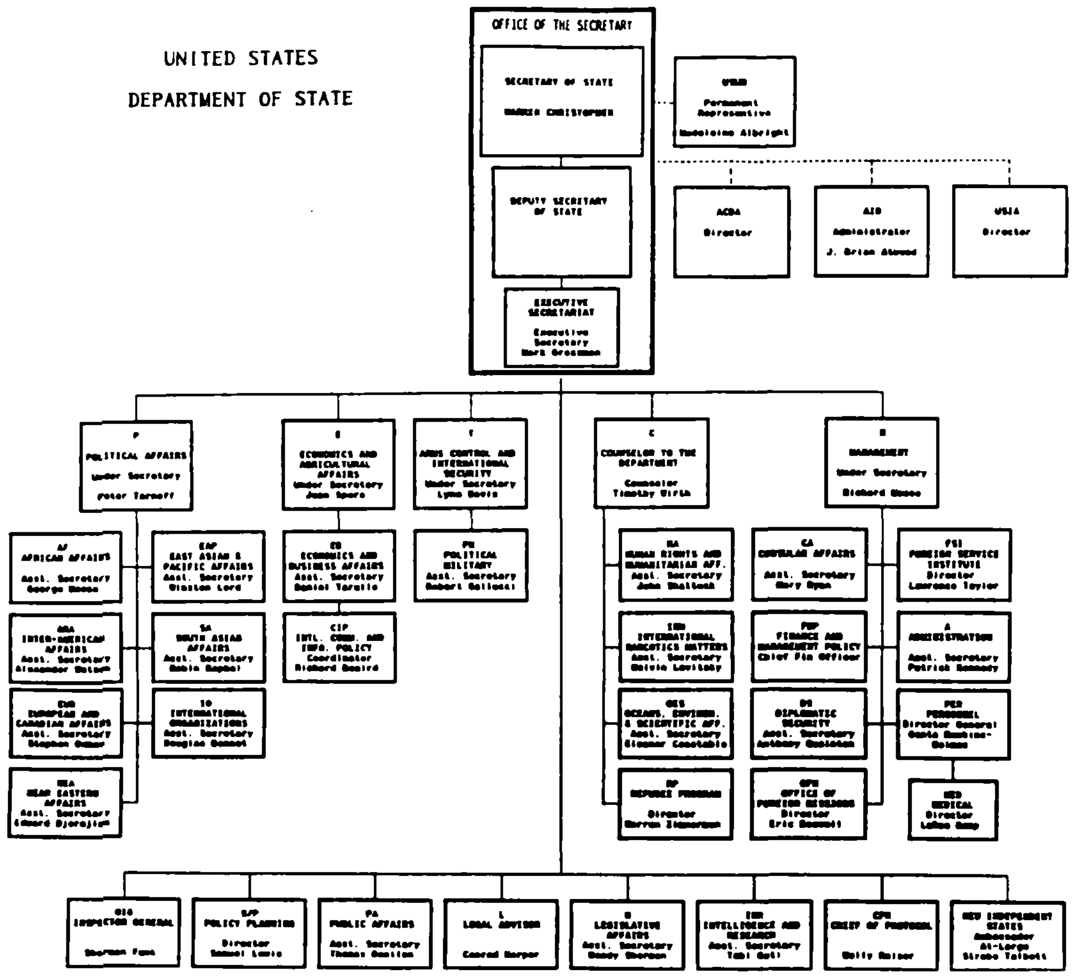
• Embassies located in capital cities provide formal diplomatic representation, services to Americans, support for U.S. business and other economic interests, and reporting on a range of bilateral and multilateral issues.

• Consulates General and Consulates provide services in cities other than capitals, and

• Missions to international organizations, such as our Mission to NATO or the UN. (The domestic mission is that of our Representative to the UN in New York.)

All U.S. Government personnel assigned overseas, except those reporting to a Regional Military Commander, come under the authority of the Chief of Mission in the country in which they work. As a result, personnel from almost 200 U.S.G. activities (examples of "activities": the DEA, the Foreign Commercial Service and the IRS) from some 25 cabinet and other independent agencies are stationed at overseas posts. Other agency personnel make up about two-thirds of the total direct hire U.S. staff of our overseas missions. About 6,000 of the Department's total of about 25,000 personnel are directly involved in their support.

The Department manages some special programs such as contributions to international organizations and refugee, anti-narcotics and anti-terrorism programs. The Department also supports several international commissions, such as the International Boundary & Water Commission. Most of them involve programs with Canada or Mexico, or both.



A summary of Department funds and positions for FY 94:

Appropriation	Funds ($000)	Positions*
Administration of Foreign Affairs	$2,698,939	21,495
International Organizations and Conferences	1,268,492	--
International Commissions	46,090	325
Related Appropriations	20,275	--
Foreign Assistance (Refugee Assist.)	719,94	9107
International Narcotics Control	159,921	125
Anti-Terrorism Assistance	15,244	--
Total	$4,928,910	22,052

*Full Time Permanent

DEPARTMENT OF THE TREASURY

HISTORY

The Treasury Department was created by an Act of Congress on September 2, 1789 (U.S.C. 1001). Many subsequent acts have figured in the development of the Department, delegating new duties to its charge and establishing the numerous bureaus and divisions that now comprise the Treasury Department.

MISSION

The Department of Treasury performs four basic functions: formulating and recommending economic, financial, tax and fiscal policies; serving as financial agent for the U.S. government; enforcing the law; and manufacturing coins and currency.

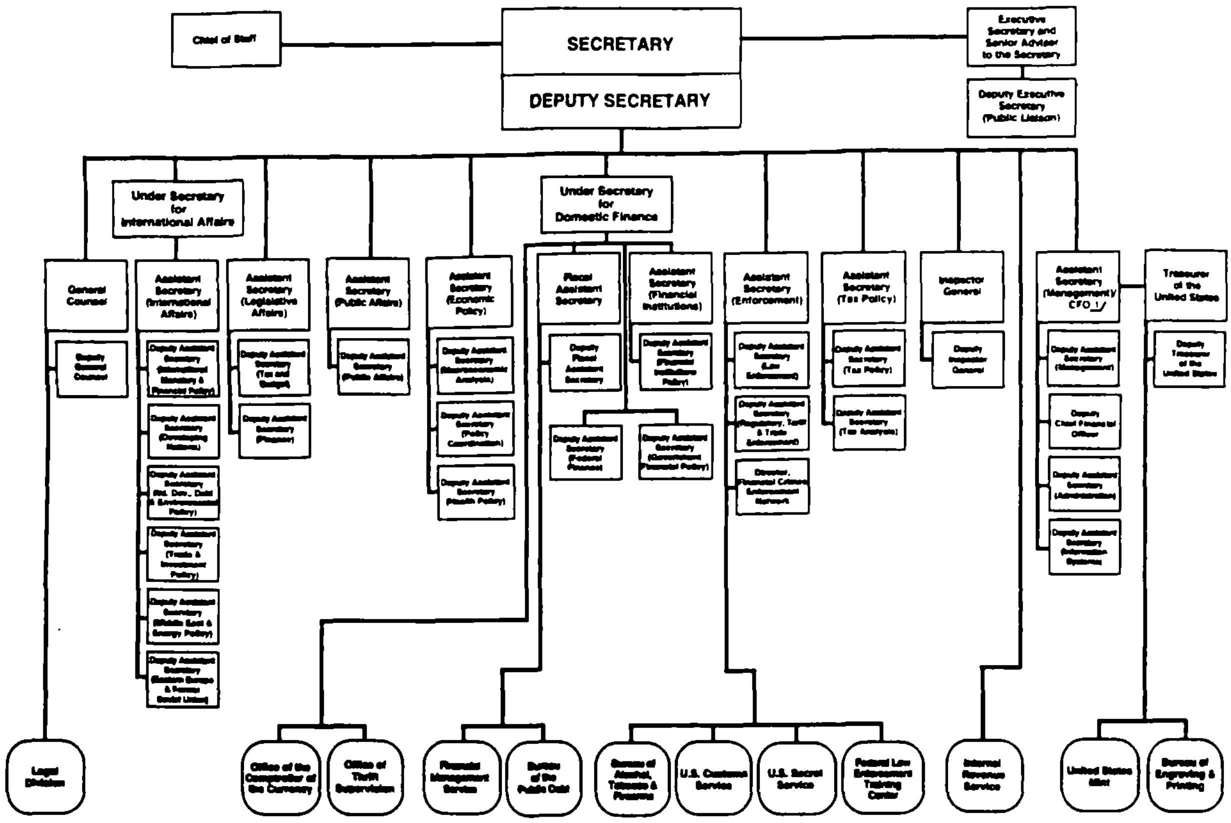
HEADQUARTERS OPERATIONS/STRUCTURE

The Treasury Department is comprised of eleven bureaus and the Departmental Offices, the Treasury Department's headquarter's operation. The Bureaus include: Bureau of Alcohol Tobacco and Firearms, Bureau of Engraving and Printing, Bureau of Public Debt, Federal law Enforcement Training Center, Financial Management Service, Internal Revenue Service, Office of the Comptroller of the Currency, Office of Thrift Supervision, United States Customs Service, United States Mint, and the United States Secret Service. Departmental Offices serves as a holding company for the Treasury and includes thirteen major components; some oversee individual bureaus while others perform department-wide or non-bureau-specific functions.

FIELD OPERATIONS/STRUCTURE

Given its responsibilities and customer service requirements, Treasury has locations across the country and in foreign nations. Some of our bureaus have many field locations while other have as few as two (a main site and a D.C. location).

THE DEPARTMENT OF THE TREASURY



DEPARTMENT OF THE TREASURY

CONGRESSIONAL ACTION ON FY 1994 APPROPRIATION

($ IN THOUSANDS)

APPROPRIATED ACCOUNTS	ENACTED $	ENACTED FTE
DEPARTMENTAL OFFICES	105,150	1,093
TREASURY FORFEITURE FUND	32,500	
OFFICE OF INSPECTOR GENERAL	28,897	330
FinCEN	18,280	147
FEDERAL LAW ENFORCEMENT TRNG. CTR.	60,157	459
FINANCIAL MANAGEMENT SERVICE	219,584	2,199
ALCOHOL, TOBACCO & FIREARMS	371,446	4,178
UNITED STATES CUSTOMS SERVICE	1,454,030	17,871
UNITED STATES MINT	54,770	892
ADMINISTERING THE PUBLIC DEBT	187,709	2,110
INTERNAL REVENUE SERVICE	7,350,085	113,439
UNITED STATES SECRET SERVICE	461,931	4,555
TOTAL: Treasury Appropriation	$10,344,539	147,273

DEPARTMENT OF DEFENSE

HISTORY

The National Military Establishment (NME) was created by the National Security Act of 1947 in order to assist the President in the discharge of his military responsibilities. To do this, the Act designated the Secretary of Defense to provide authoritative coordination and unified direction. Until then and since 1789, the President personally provided unified direction in his capacity as Commander in Chief.

Although addressed principally to the question of service unification, the National Security Act went well beyond reorganizing the armed forces; its overall purpose was to erect an integrated structure to formulate national security policy at the uppermost level of government. Breaking with tradition, it subordinated the Secretaries of the Army, the Navy, and the newly established Air Force to the Secretary of Defense, (who headed the National Military Establishment (NME)) thereby creating a layer of civilian authority between the military services and their Commander in Chief. In 1949, congress amended the National Security Act and converted the NME into a full-fledged executive department, thereafter known as the Department of Defense.

MISSION

The Department of Defense is responsible for providing the military forces needed to support and defend the Constitution of the United States against all enemies, foreign and domestic; ensure, by timely and effective military action, the security of the United States, its possessions, and areas vital to its interest; and uphold and advance the national policies and interests of the United States. The major elements of these forces are the Army, Navy, Air Force, and Marine Corps. Under the President, who is also the Commander in Chief, the Secretary of Defense exercises authority, direction, and control over the Department which includes the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, three Military Departments, nine Combatant Commands, the DoD Inspector General, sixteen Defense Agencies, and nine DoD Field Activities.

HEADQUARTERS OPERATIONS/STRUCTURE

The Office of the Secretary of Defense (OSD) is the principal staff element of the Secretary in the exercise of policy development, planning, resource management, fiscal, and program evaluation responsibilities.

The Military Departments are the Departments of the Army, Navy, and Air Force. Each Military Department is separately organized under its own Secretary and functions under the authority, direction, and control of the Secretary of Defense. The Military Departments are responsible for organizing, training, supplying, and equipping forces for assignment to the Combatant Commands.

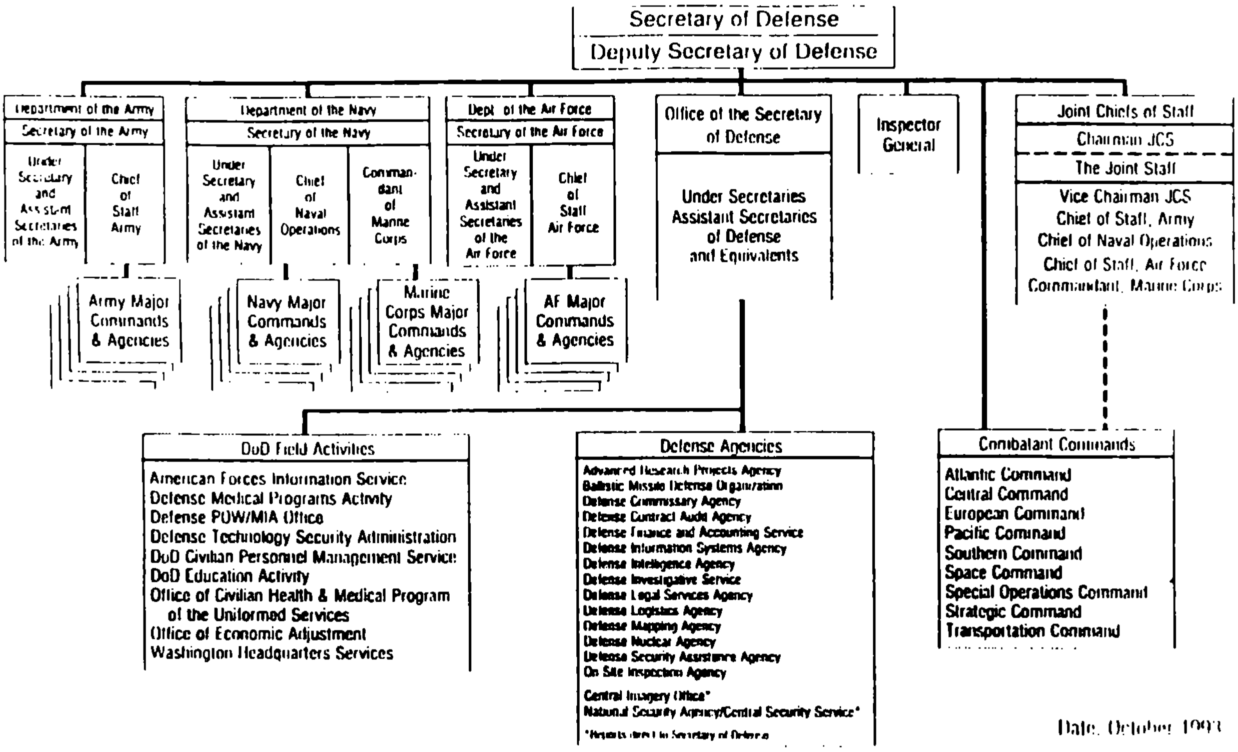
The Joint Chiefs of Staff, headed by the Chairman of the Joint Chiefs of Staff, consists of the Chairman; the Vice Chairman, JCS; the Chief of Staff, U.S. Army; the Chief of Naval Operations; the Chief of Staff, U.S. Air Force; and the Commandant of the Marine Corps. and supported, subject to the authority, direction, and control of the Chairman, by the Joint Staff. constitute the immediate military staff of the Secretary of Defense. The Chairman of the JCS is the principal military advisor to the President, the National Security Council, and the Secretary of Defense. The Chiefs of Service are the senior military officers of their respective Services and are responsible for keeping the Secretaries of the Military Departments fully informed on matters considered or acted upon by the JCS, and are military advisers to the President, the National Security Council, and the Secretary of Defense.

FIELD OPERATIONS/STRUCTURE

The Combatant Commands are responsible to the President and the Secretary of Defense for accomplishing the military missions assigned to them. Commanders of the Combatant Commands exercise command authority over forces assigned to them as directed by the Secretary of Defense. Combatant Commands, composed of assigned components of two or more Services, include the European Command, Pacific Command, Atlantic Command, Southern Command, Special Operations Command, Strategic Command, Central Command, Transportation Command, and Space Command.

The Defense Agencies and Field Activities perform selected support and service functions on a Department-wide basis. Examples of these support and service organizations are Logistic, Mapping, Finance and Accounting, and Commissary Operations.

Department of Defense



Civilian Personnel FTEs FY 1994 (000's)

Army	275.8
Navy and Marine Corps	264.3
Air Force	196.8
Defense–wide	159.2
Total	896.1

FY 1994 Appropriation ($ in Billions)

DoD Appropriation	240.5
Military Construction	10.3
Total	250.8

DEPARTMENT OF JUSTICE

HISTORY

The position of Attorney General was created by the Judiciary Act of September 24, 1789, with Edmund Randolph, of Virginia, serving as the first Attorney General. By 1870, the work of the Attorney General had expanded to such an extent that the Office had become, in reality, one of the executive departments of the government. In recognition of this fact, the Congress on June 22, 1870, established the Attorney General as head of the Department of Justice and gave the Attorney General direction and control of U.S. Attorneys and all other counsel employed on behalf of the United States.

MISSION

The Department has been accurately described as the largest law office in the world. The Attorney General continues to serve as the Federal Government's chief legal officer, and manages the Department, comprised of approximately 96,800 persons throughout the world.

OPERATIONS/STRUCTURE

When the first Attorney General took office, the United States had three federal crimes--treason, counterfeiting, and piracy. Today, there are over 4,100 federal crimes.

The Department of Justice is divided into 32 components and serves as the nation's law firm as well as its primary law enforcement agency. The major components of DOJ and their approximate sizes are:

- the Bureau of Prisons, with a budget of \$2.4 billion and 25,500 employees (these figures include the Federal Prison Building fund);

- the Federal Bureau of Investigation, with a budget of \$2.0 billion and 25,000 employees;

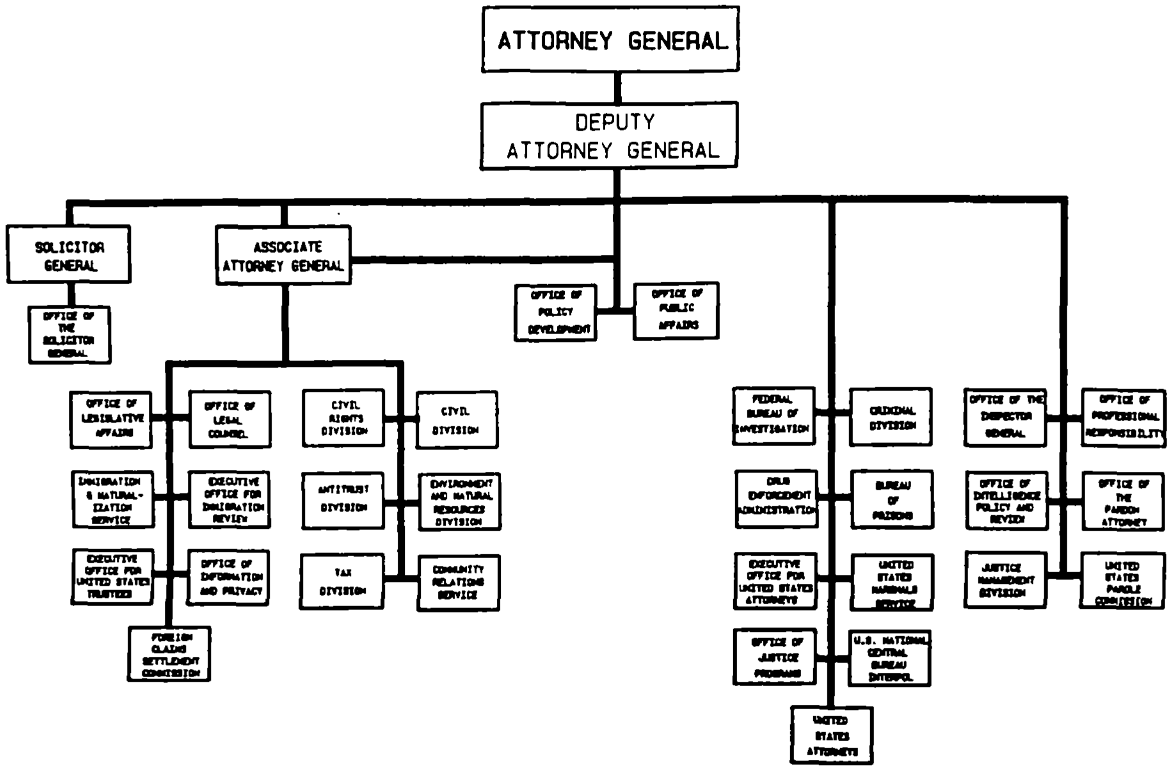
- the Immigration and Naturalization (INS), with a budget of \$1.6 billion and 18,000 employees;

- the United States Attorneys, with a budget of \$800 million and 9,300 employees; and

- the Drug Enforcement Administration (DEA), with a budget of \$700 million and 7,150 employees.

Other key DOJ components are the U.S. Marshals Service; the Office of Justice Programs; the Litigation Divisions (Antitrust, Civil, Civil Rights, Criminal, Environment and Natural Resources, and Tax); the U.S. Trustees; the Justice Management Division; and the Community Relations Service.

U.S. DEPARTMENT OF JUSTICE



APPROPRIATION	1994 APPROPRIATION POS	FTE	BA
DISCRETIONARY			
FUNCTIONAL CODE: 750			
GENERAL ADMINISTRATION	1,158	1,323	119,000
OFFICE OF THE INSPECTOR GENERAL	395	415	80,000
QUANTICO TRAINING CENTER	0	0	0
WEED AND SEED FUND	7	7	13,180
NATIONAL DRUG INTELLIGENCE CENTER	[188]	188	0
FEDERAL/STATE PARTNERSHIPS:			
CRIMINAL RECORDS UPGRADE	0	0	0
WORKING CAPITAL FUND	0	735	0
U.S. PAROLE COMMISSION	78	97	9,123
GENERAL LEGAL ACTIVITIES	3,524	3,743	403,988
ANTITRUST DIVISION	466	450	45,997
U.S. ATTORNEYS	8,239	8,911	813,797
U.S. MARSHALS	3,645	3,636	339,808
SUPPORT OF U.S. PRISONERS	0	0	312,884
FEES AND EXPENSES OF WITNESSES	0	0	0
COMMUNITY RELATIONS SERVICE	119	112	28,108
U.S. TRUSTEES	[811]	784	61,513
ASSETS FORF FUND CURR SUD AUTH	0	0	55,000
ORGANIZED CRIME DRUG ENFORCEMENT	[4,210]	[4,154]	362,381
FEDERAL BUREAU OF INVESTIGATION	21,992	24,023	2,038,705
DRUG ENFORCEMENT ADMINISTRATION	5,649	6,711	722,000
IMMIGRATION AND NATURALIZATION SERVICE	12,468	11,760	1,048,536
IMMIGRATION EMERGENCY FUND	0	0	6,000
FEDERAL PRISON SYSTEM:			
SALARIES AND EXPENSES	25,860	23,161	1,950,000
NATL INSTITUTE OF CORRECTIONS	52	52	10,211
BUILDINGS AND FACILITIES	320	317	269,543
FEDERAL PRISON INDUSTRIES	0	1,623	0
COMMISSARY FUND	0	446	0
TOTAL, FEDERAL PRISON SYSTEM	26,232	25,599	2,229,754
OFFICE OF JUSTICE ASSISTANCE	348	348	679,606
PSOB	0	0	0
SUBTOTAL, DOMESTIC DISCRETIONARY	84,258	86,794	8,337,329
FUNCTIONAL CODE: 150			
FOREIGN CLAIMS SETTLEMENT COMMISSION	13	12	940
FUNCTIONAL CODE: 050			
RADIATION EXPOSURE COMP ADMIN EXP	0	0	2,668
RADIATION EXPOSURE COMP TRUST FUND	0	0	0
FUNCTIONAL CODE: 800			
CIVIL LIBERTIES PUBLIC EDUCATION	0	0	0
Stay-In-School Ceiling	0	1,310	0
SUBT, DISCRETIONARY AUTH.	84,271	90,116	8,340,937

APPROPRIATION	1994 APPROPRIATION POS	FTE	BA
MANDATORY			
FUNCTIONAL CODE: 750			
FEES AND EXPENSES OF WITNESSES	0	0	103,022
PSOB	0	0	28,936
INDEPENDENT COUNSEL	0	0	4,000
FUNCTIONAL CODE: 800			
CIVIL LIB. PUB. EDUCATION FUND	0	0	100,000
SUBT, MANDATORY AUTHORITY	0	0	235,958
PRE-MERGER FILING FEES	[211]	204	20,620
U.S. TRUSTEES	[326]	312	37,467
ASSETS FORF FUND PERM SUD AUTH	0	0	451,000
DIVERSION CONTROL FEE	[347]	315	42,123
IMMIGRATION USER FEE	[3,031]	2,997	305,016
ENFORCEMENT FINES	0	0	13,420
IMMIGRATION LEGALIZATION	[27]	58	4,344
IMMIGRATION EXAMINATIONS FEE	[4,271]	4,035	347,529
LAND BORDER INSPECTION FEE	[200]	80	9,131
BREACHED BOND/DETENTION FUND	[46]	42	5,900
INCARCERATION FEES	0	0	46,360
CRIME VICTIMS FUND	0	0	154,800
SUBT, FEE-FUNDED ACCOUNTS	[8,463]	8,043	1,439,930
TOTAL DEPARTMENT OF JUSTICE	84,271	98,159	11,016,825

98,159

DEPARTMENT OF THE INTERIOR

HISTORY

In March 3, 1849, the Department of the Interior was created to administer certain responsibilities of the Federal Government's internal affairs. The Department has evolved into the Nation's principal conservation agency and manages much of the Nation's Federally owned lands and many of its natural resources.

MISSION

The mission of the Department of the Interior is to encourage and provide for the appropriate management, preservation, and development of the Nation's public lands and natural resources for use and enjoyment now and in the future, to carry out related scientific research and investigations in support of these objectives, and to carry out trust responsibilities of the U.S. Government with respect to Native Americans and Alaska Natives. The Department is responsible for a broad spectrum of activities:

The *Bureau of Land Management (BLM)* is responsible for multiple use management of natural resources on some 270 million acres of Public Land located primarily in western states, including 90 million acres in Alaska. BLM also administers mineral leasing and supervises mineral operations on an additional 300 million acres of Federal mineral estate.

The *Minerals Management Service* has two major responsibilities: timely collection, distribution, accounting, and auditing revenues owed by holders of mineral leases on Federal and Indian lands; and management of energy and mineral resources on the Nation's Outer Continental Shelf. Revenue from these activities exceed $3 billion.

The mission of the *Office of Surface Mining Reclamation and Enforcement (OSM)* is to protect the public and environment from the adverse effects of coal mining, while allowing access to the coal that is important to the Nation's energy needs.

The mission of the *Bureau of Reclamation (BOR)* is to manage, develop, and protect water and related resources in an environmentally and economically sound manner.

The *U.S. Geological Survey* conducts research and provides geologic, topographic, geographic, and hydrologic information contributing to the effective management of the Nation's natural resources and promoting health and safety.

The *U.S. Bureau of Mines* conducts research and collects information on minerals and materials to help protect health and safety in the minerals and materials industries and on the development of new materials and processes providing for sustainable development and resource conservation.

The mission of the *U.S. Fish and Wildlife Service (FWS)* is to conserve, protect, and enhance fish and wildlife and their habitats. FWS responsibilities include management of about 500 national wildlife refuges and nearly 80 fish hatcheries throughout the Nation.

The *National Biological Survey 's (NBS)* mission is to provide leadership in gathering, analyzing, and disseminating biological information to support sound management of the Nation's natural resources. NBS, in cooperation with others, will undertake research, inventory, monitoring, information sharing, and technology transfer to foster an understanding of biological systems and their benefits to society; as such, NBS will provide essential scientific support and technical assistance required for management and policy decisions.

The *National Park Service (NPS)* manages, preserves, and protects more than 365 areas covering more than 80 million acres which make up the U.S. National Park System. NPS enables visitors to parks to enjoy their natural and cultural resources, while leaving such resources unimpaired for the enjoyment of future generations. NPS programs are oriented toward natural and cultural resource protection and interpretation. NPS also promotes outdoor recreation, historic preservation, and environmental awareness.

The *Bureau of Indian Affairs* manages and protects natural resources on more than 56 million acres of Indian trust lands and assists tribes in serving more than one million American Indians and Alaska Natives in order to enhance their quality of life, promote economic opportunity, and protect and improve the trust assets of American Indians, Indian tribes, and Alaska natives.

The mission of the *Office of Territorial and International Affairs (TIA)* is to promote political, economic, and social development of insular areas, leading each toward increased self-government and self-reliance.

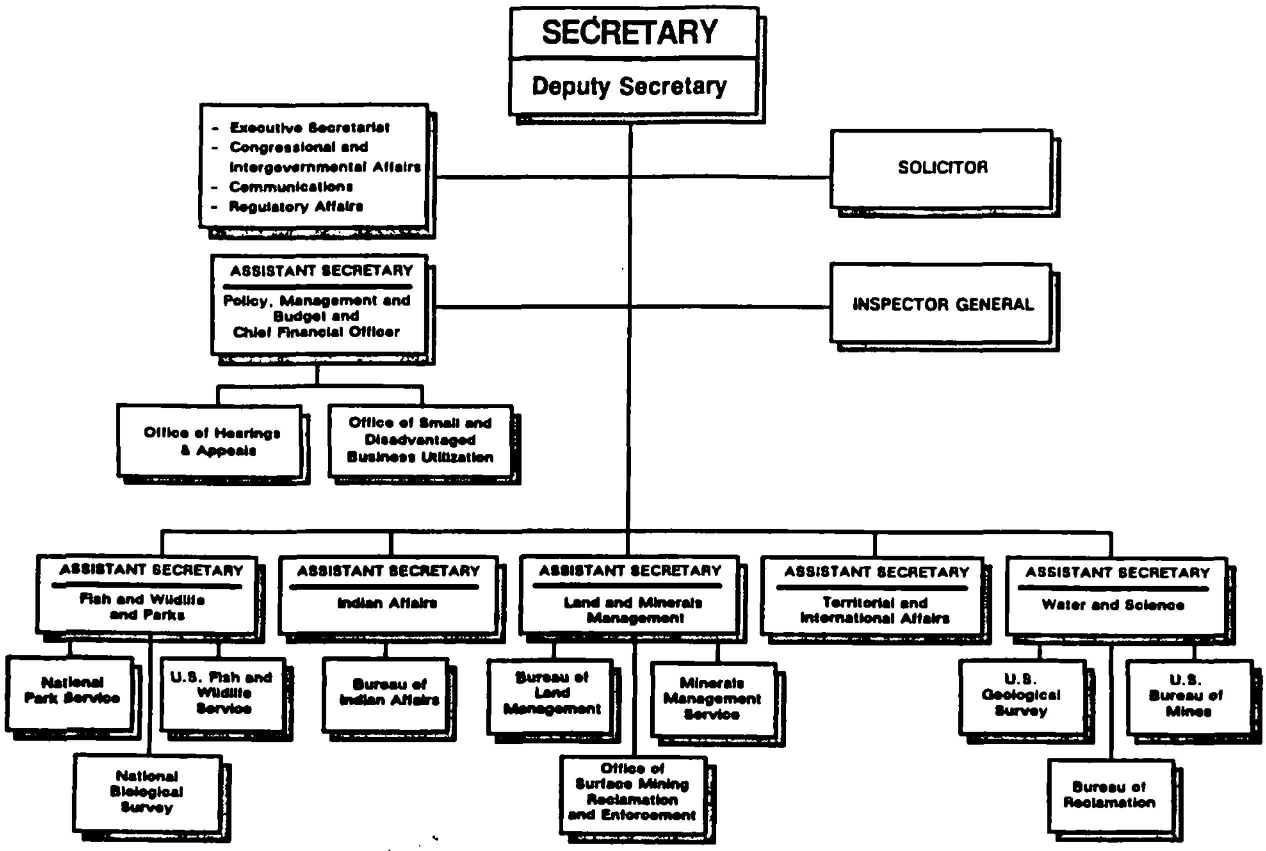
HEADQUARTERS OPERATIONS/STRUCTURE

The Office of the Secretary is the general management arm of the Department and provides the principal support to the Secretary in formulating policy and providing advice to the President. The Office of the Secretary consists of the Secretary, Chief of Staff/Chief Operating Officer, and Assistant Secretaries for Policy, Management and Budget; Land and Minerals Management; Water and Science; Fish and Wildlife and Parks; Indian Affairs; and Territorial and International Affairs.

FIELD OPERATIONS/STRUCTURE

The vast majority of the Department's employees are located outside the Washington, D.C., metropolitan area. Because of its diverse missions, the Department has hundreds of field installations throughout the United States which serve specific programs and clientele. These include National Parks, Wildlife Refuges, agencies on Indian reservations, recreation sites on public lands, scientific laboratories, hydropower and water structures, and a wide range of others. Regardless of the mission's of the various Interior agencies, cross-agency administrative support is provided in a number of areas, such as payroll and financial management.

GENERAL ORGANIZATION - U.S. DEPARTMENT OF THE INTERIOR



11/93

The Department's FY 1994 appropriation is $7,538,991,000 with total FTEs of 75,991. A breakdown by bureau follows:

BUREAU	FTE	FY 94 APPROPRIATION (dollars in thousands)
Bureau of Land Management	11,963	1,070,388
Minerals Management Service	1,938	198,528
Office of Surface Mining	1,097	301,849
Bureau of Reclamation	7,233	867,506
Central Utah Project Compl.	4	25,770
U.S. Geological Survey	9,710	584,685
U.S. Bureau of Mines	2,272	169,436
Fish and Wildlife Service	7,185	682,402
National Biological Survey	1,689	163,519
National Park Service	19,286	1,437,261
Bureau of Indian Affairs	11,845	1,777,653
Territorial & International Affairs	46	127,847
Office of the Secretary	988	73,505
Office of the Solicitor	385	33,359
Office of the Inspector General	322	24,283
National Indian Gaming Commission	28	1,000

DEPARTMENT OF AGRICULTURE

HISTORY

The Department was founded during the Lincoln Administration in 1862 for the purpose of distributing useful information on agriculture to the U.S. population. It was elevated to cabinet status in 1889. The major emphasis in the Department around the turn of the century was the expansion of agricultural related research. Subsequently the agricultural extension service was established to assist farmers put the results of this research into use. Regulation, marketing and forest service activities were also part of the Department.

MISSION

Over the years economic and other pressures have resulted in the addition of new programs and the broadening of the responsibilities of the Department. This is particularly true of the New Deal era of the 1930's when new rural, farm credit, and conservation programs were added and in the 1960's and 70's when again there was an expansion of the Department when the food assistance programs were created. As a result, USDA is one of, if not the most diverse department in the Federal Government with a program level, including direct and guaranteed loans of over $90 billion and with programs in 8 of the 16 major budget functions. The Department's role in production agriculture, to assure adequate supplies of agricultural products at reasonable costs to meet domestic and export demand, while providing a fair return to producers, is generally recognized. Other complimentary missions include:

- Conserving our natural resources and protecting the environment while improving agricultural production.
- Enhancing the marketing and distribution of agricultural products through the use of inspection and grading standards and market promotion in domestic and foreign markets.
- Ensuring that the Nation's commercial supply of meat and poultry products is safe, wholesome, and correctly labeled.
- Providing benefits to the public through proper management and use of the natural resources in the Nation's forests and rangelands.
- Promoting economic and community development in rural areas.
- Providing access to nutritious diets for persons with low incomes.
- Improving consumers knowledge of good nutrition to encourage better eating habits.
- Conducting and promoting research on subjects connected with agriculture and nutrition and disseminating the resulting information to the public and industry.
- Developing and maintaining economic intelligence related to domestic and international food and agriculture outlook.

HEADQUARTERS OPERATIONS/STRUCTURE

In addition to the Office of the Secretary, the Department has 9 sub-cabinet offices and 43 agencies and staff offices organized primarily on a functional basis. This organization manages over 250 programs with a total staff of about 110,000 Federal employees. About 14% of this staff is at headquarters. Secretary Espy has proposed to reduce the number of agencies to 30 and restructure the organization around six basic missions, which are:

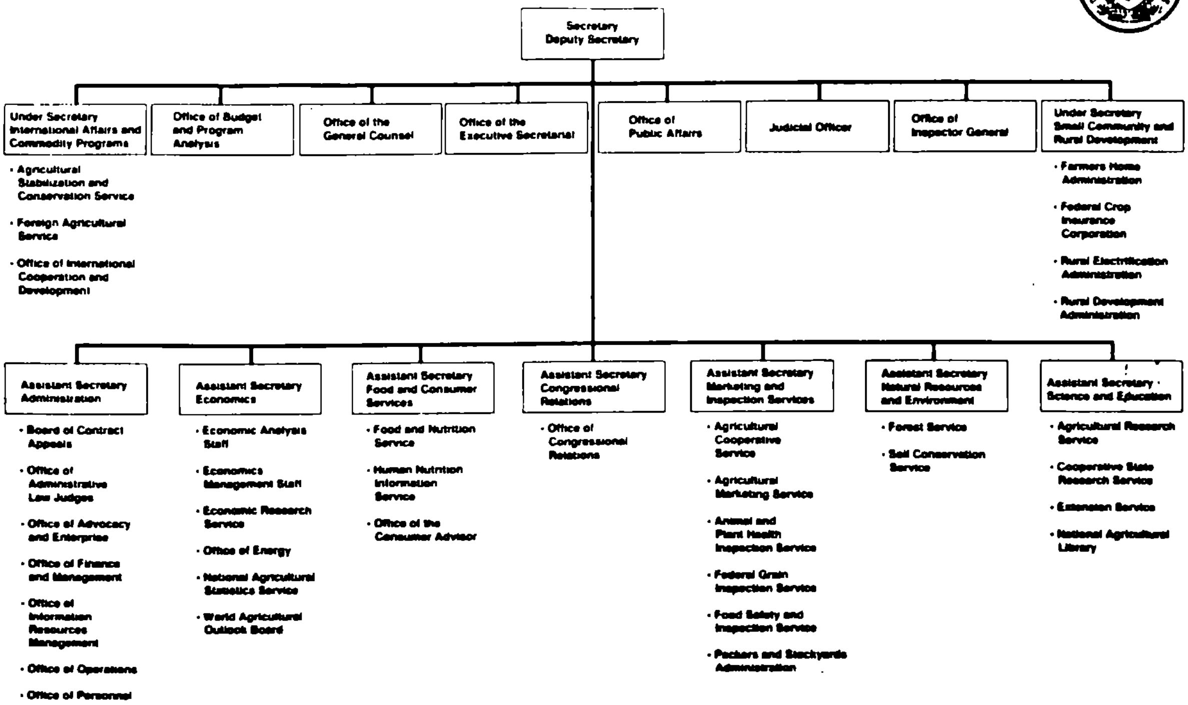
service to farmers and ranchers,
community and economic development in rural areas,
food, nutrition, and consumer services,
conservation programs,
food quality and safety, and
research, education, and economics.

FIELD OPERATIONS/STRUCTURE

USDA has an extensive field structure in all counties of the U.S. and has personnel in most embassies around the world. Twenty one agencies have over 14,000 offices. Many of these agency offices are collocated with other USDA agency offices so the actual number of USDA "office sites" is substantially less. This total includes about 3600 Extension Service field offices which are not Federal offices, but USDA helps to finance these offices and they are considered part of the USDA delivery system. In addition, there are about 13,000 non-Federal staff, funded by USDA, working with agricultural producers in the USDA county offices.

Secretary Espy has proposed a restructuring of the field offices after changes are made at headquarters. He proposes to strengthen the performance of the field structure through a stronger coordination role for the program managers in the State, better use of technology to improve services and more efficient sharing of information, personnel and resources.

United States Department of Agriculture



Programs and Operations	Number of Staff Years and Type of Personnel	FY 1994 Appropriation in Billions		FY 1994 Program Level
Service to farmers and ranchers	8,954 - loan specialists, actuaries, commodity specialists	Total CCC	$21.4 (18.0)	$34.5 (21.8)
Community & economic develop. in rural areas	9,096 - loan, housing, and rural development specialists, etc		2.7	9.0
Food, nutrition, and consumer services	2,082 - nutritionists and other feeding program specialists, etc	Total Food Stamp Program Child Nutrit.	39.5 (27.0) (7.5) (3.2)	37.2 (24.5) (7.8) (3.2)
Conservation programs	54,606 - soil and water specialists, foresters, etc		5.3	6.3
Food quality and safety	21,588 - meat, poultry and other agricultural commodity inspectors and graders, etc		1.0	1.3
Research, education and economics	10,629 - scientists, economists, statisticians, etc		1.8	1.8
Other	4,300 - lawyers, auditors, accountants, and other administrative, etc		0.3	0.3
Total	111,255 Staff Years		$72.0	$90.4

DEPARTMENT OF COMMERCE

HISTORY

On February 14, 1903, President Theodore Roosevelt signed legislation which created a Department of Commerce and Labor. Ten years later on March 14, 1913, President Taft signed legislation which created individual Departments of Commerce and Labor.

MISSION

The mission of the Department of Commerce is to ensure and enhance long-term economic opportunity and a rising standard of living for all Americans by working with the private sector to expand foreign markets and increase U.S. exports; enhance technological development and commercializations; promote stewardship of the global environment; and provide development assistance to distressed communities and minority businesses. The Commerce Department is divided into the following 14 bureaus:

The *International Trade Administration* is responsible for non-agricultural trade promotion operations of the U.S. Government; supports the trade policy and negotiation efforts of the United States Trade Representative; and operates the trade development, import administration, industry analysis and monitoring, and trade policy programs.

The *National Oceanic and Atmospheric Administration*, the largest bureau, is responsible for managing, using and conserving the global ocean and its living resources and describing, monitoring, and predicting conditions in the atmosphere, ocean, sun and space environment.

The *Technology Administration*, the Department's primary scientific arm, oversees two units:

- The *National Institute of Standards and Technology* supports industry and government through the advancement of measurement science and development of standards.

- The *National Technical Information Service* collects, catalogs and distributes the scientific, technical, engineering and business-related information resulting from research and development activities sponsored by U.S. government and other foreign organizations.

The *U.S. Patent and Trademark Office* administers the laws relating to patents and trademarks to promote industrial and technological progress in the United States.

The *Economics and Statistics Administration* oversees two units:

- The *Census Bureau* conducts various surveys and censuses, including The Year 2000 Census.

- The *Bureau of Economic Analysis* prepares the Gross Domestic Product (GDP) accounts and related economic measures and analyses.

The *Bureau of Export Administration* regulates and enforces U.S. export trade law and regulations for national security, foreign policy, and short supply reasons.

The *Economic Development Administration* is responsible for domestic economic development programs and activities and provides financial and technical assistance to economically distressed areas of the Nation.

The *Minority Business Development Agency* manages a national program for establishing and strengthening minority business enterprise.

The *National Telecommunications and Information Administration* is responsible for domestic and international communications and information policies and manages the government's use of the radio spectrum.

The *United States Travel and Tourism Administration* works to increase U.S. export earnings through trade in tourism.

HEADQUARTERS OPERATIONS/STRUCTURE

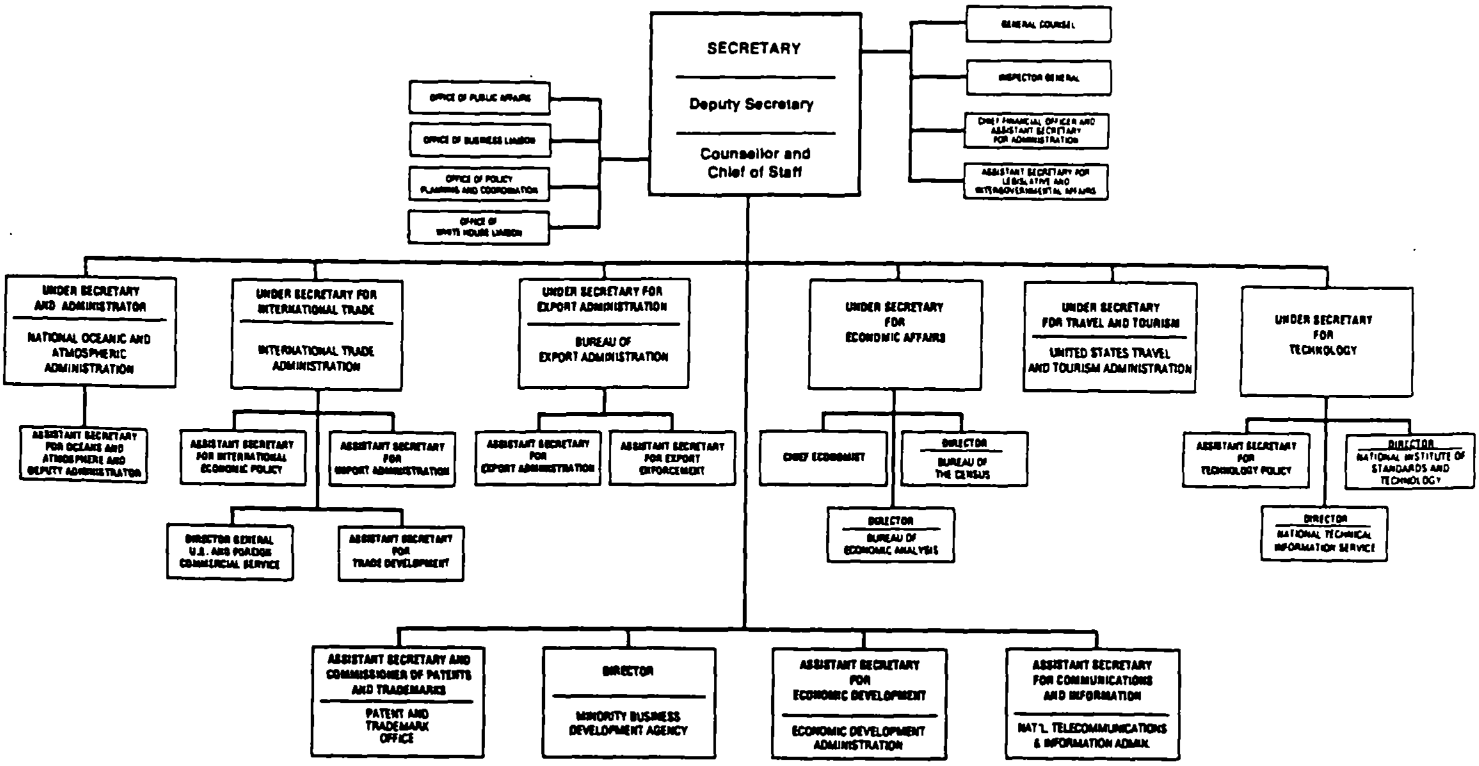
The Office of the Secretary is the general management arm of the Department and provides the principal support to the Secretary in formulating policy and in providing advice to the President. The Office of the Secretary consists of the Secretary, the Secretarial Officers, and designated staff immediately serving these officials, which have Department-wide functions or perform special program functions on behalf of the Secretary.

FIELD OPERATIONS/STRUCTURE

Nearly half the Department's employees are located outside the Washington, D.C. metropolitan area. Rather than a monolithic field office structure, the Department's field installations are located to serve specific programs and clientele. The U.S. Foreign and Commercial Service, for example, operates at 200 locations throughout the world, about 70 of which are in the United States. The National Oceanic and Atmospheric Administration operates a widespread network of weather forecasting installations, a number of scientific laboratories, and a wide range of other specialized installations. The Economic Development Administration maintains six regional offices assisted by economic development representatives located in most states. Regardless of their mission, however, all domestic U.S. field employees receive administrative support from one of four centers located around the country.

U.S. DEPARTMENT OF COMMERCE

EXHIBIT TO DOO 1-1



FY 1994 BUDGET AND PERSONNEL APPROPRIATION

The Department's FY 1994 appropriation is $3,635,714,000 with total FTEs of 35,805. A breakdown by bureau follows:

BUREAU	FTE	FY 94 APPROPRIATION (dollars in thousands)
General Administration	1,264	$ 49,042
International Trade Administration	2,473	248,898
National Oceanic and Atmospheric Adm.	13,292	1,927,801
Technology Administration	3,709	525,910
U.S. Patent and Trademark Office	5,050	88,329
Economics and Statistics Administration	8,751	283,506
Bureau of Export Administration	310	34,747
Economic Development Administration	355	350,642
Minority Business Development Agency	190	42,100
National Telecommunications and Information Administration	317	70,927
U.S. Travel and Tourism Administration	94	17,120

DEPARTMENT OF LABOR

HISTORY

The Bureau of Labor was established as an independent organization of government in 1888. It was subsequently transferred in 1903 to the Department of Commerce and Labor. A separate Department of Labor was established on March 4, 1913, by Congress to include the Bureaus of Labor Statistics, Immigration, and Naturalization, and the Children's Bureau.

MISSION

The mission of the Department of Labor is to promote the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment. We help provide working Americans their first jobs, new jobs when needed, and better jobs.

The Department administers a variety of Federal labor laws guaranteeing workers' rights to safe and healthful working conditions, a minimum hourly wage and overtime pay, freedom from employment discrimination, unemployment insurance, and workers' compensation. The Department also protects workers' pension rights, provides for job training programs, helps workers find jobs, works to strengthen free collective bargaining, and tracks changes in employment, prices, and other national economic measures.

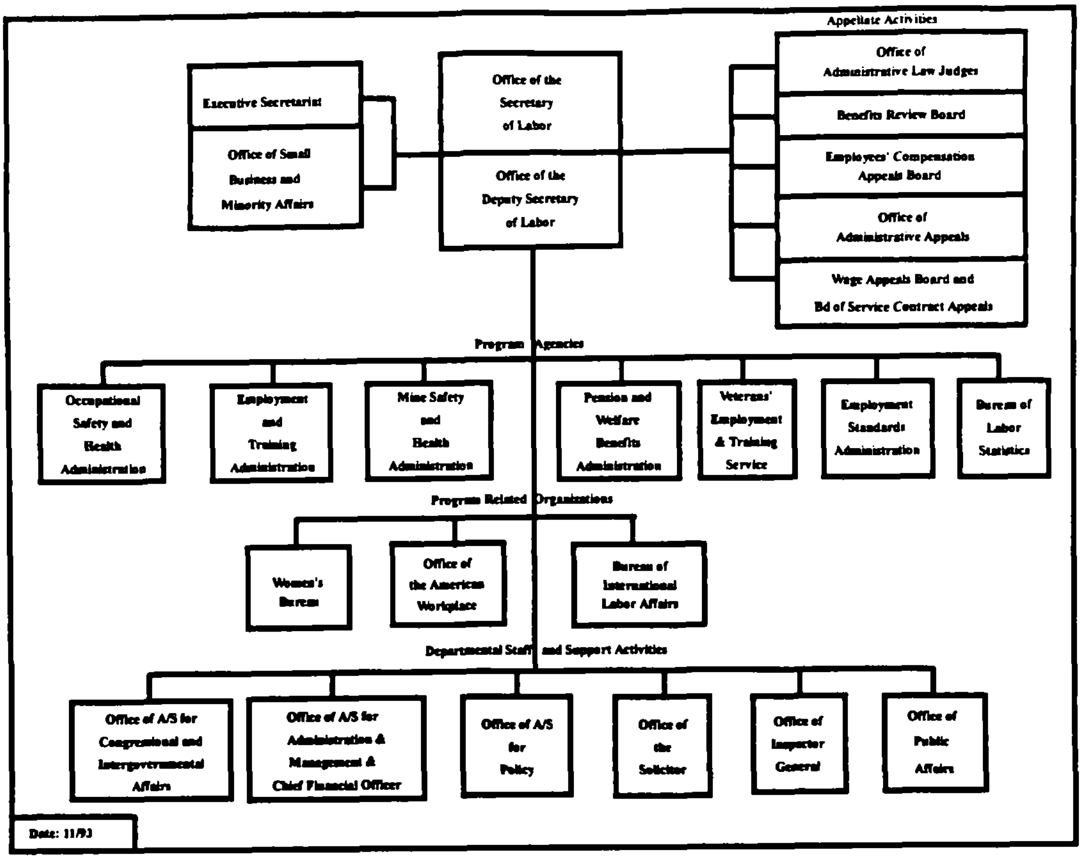
HEADQUARTERS OPERATIONS/STRUCTURE

The DOL National Office staff includes (1) the Departmental level staff which assists the Secretary in the management of the Department; (2) the appellate activities which adjudicate and review cases involving laws administered by DOL; (3) the program development, management and oversight activities of the individual program agencies; and (4) special emphasis organizations, such as the Women's Bureau which promotes the welfare of working women. Additionally, a number of operational components of Agency programs (e.g., certain claims processing activities) are located in Washington.

FIELD OPERATIONS/STRUCTURE

Most of the Department's major Agencies have a Regional Office in the standard Federal 10-Region configuration. Exceptions include the Mine Safety and Health Administration which is organized on a District Office basis for both Coal Mine Safety and Health and Metal/Nonmetal Mine Safety and Health. The Pension and Welfare Benefits Administration and the Office of Labor-Management Standards are both organized on an Area Office basis; however, many of the Area Offices are located in Regional and other major cities. The Office of the Inspector General is similarly organized with offices in Regional/major cities reporting to the National Office functional heads for Audit, Investigations, and Labor Racketeering.

U.S. Department of Labor



U. S. DEPARTMENT OF LABOR - Table of Personnel/Appropriations by Program (Dollars in Thousands)		
	FY 1994 Enacted:	
	FTE	Dollars
Salaries and Expenses Subtotal	17,751	1,544,981
Employment & Training Administration	1669	139,061
Employment Standards Administration	3665	238,165
Occupational Safety & Health Administration	2323	297,244
Mine Safety & Health Administration	2545	195,002
Bureau of Labor Statistics	2579	333,945
Other Salaries and Expenses	4970	341,564
Employment and Training Subtotal	0	9,043,428
Training and Employment Programs	0	5,424,010
Unemployment Ins. and Employment Services	0	3,453,659
Other Discretionary Programs	0	165,759
DOL Discretionary Total	17,751	10,588,409

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HISTORY

The origins of the Department of Health and Human Services date to 1798, with the establishment of the first marine hospital, forerunner of today's Public Health Service. The cabinet-level Department of Health, Education, and Welfare was established in 1953, and redesignated in 1980 as the Department of Health and Human Services.

MISSION

The Department of Health and Human Services (HHS) is the Federal government's principal agency for furthering the health of Americans and providing essential human services. The Department's 129,000 employees carry out this mission through more than 250 separate categorical programs. At $600 billion plus, HHS' budget is the third largest in the world, behind only the total US budget and the budget of Japan. Directly or indirectly, the Department has an impact on each and every American.

HEADQUARTERS OPERATIONS/STRUCTURE

The Department's organizational structure resembles that of a diversified corporation. Under the general leadership of the Office of the Secretary are five Operating Divisions:

The Public Health Service is the Federal government's locus for improving the physical and mental health of the American people through research, prevention and control of disease, regulation of the food and drug/medical devices industries, direct health services for Native Americans, and indirect services through grants to states and communities in pursuit of national health objectives.

The Health Care Financing Administration oversees the Medicare and Medicaid programs as well as related Federal medical quality control programs.

The Social Security Administration administers the Old Age and Survivors Insurance, Disability Insurance, and Supplemental Security Income programs which together pay monthly benefits to over 45 million people.

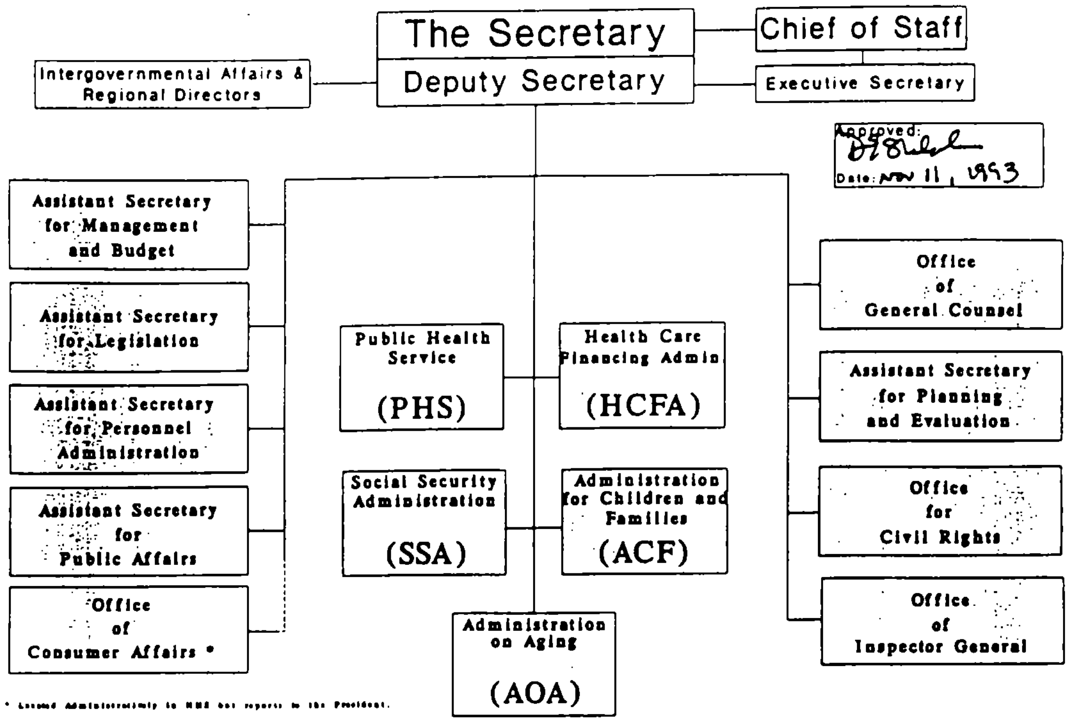
The Administration for Children and Families administers programs focused on children and families, including Head Start, Aid to Families with Dependent Children, child support enforcement, foster care and adoption, refugee assistance, and assistance to individuals with developmental disabilities.

The Administration on Aging is responsible for implementing the provisions of the Older Americans Act.

FIELD OPERATIONS/STRUCTURE

HHS has ten regional offices in which each Operating Division maintains a presence. In addition, the Social Security Administration and the Public Health Service's Indian Health Service, both responsible for direct service delivery, have extensive field networks.

U.S. Department of Health and Human Services



*Operating Division Personnel (FTE) and Spending Levels***

Operating Division	FY 94 FTE	FY 94 Spending (in millions)
Public Health Service	52,178	$21,474
Health Care Financing Administration	4,180	$239,009
Social Security Administration	64,909	$349,438
Administration for Children and Families	1,983	$31,302
Administration on Aging	186	$871
Office of the Secretary	4,168	$260
TOTAL	127,604	$642,354

** Internal and deliberative numbers subject to change. Not for public release.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HISTORY

The Department of Housing and Urban Development (HUD) was established as a Cabinet agency by the HUD Act (42 U.S.C. 3532-3537), effective Nov. 9, 1965.

MISSION

HUD is the principal Federal Agency for Federal housing programs, enforcing fair housing and improving/developing the Nation's communities. Among its major programs, HUD

- -- insures single-family and multifamily mortgages,
- -- makes capital grants for construction or rehabilitation of housing for the elderly and disabled,
- -- channels funds from investors into the mortgage industry (through GNMA),
- -- provides housing subsidies for low- and moderate-income families,
- -- provides grants to States and communities for community development, and
- -- promotes and enforces fair housing and equal opportunity.

HEADQUARTERS OPERATIONS/STRUCTURE

HUD Headquarters is comprised of 3,225 employees directed by 13 Assistant Secretaries or equivalents responsible for HUD programs or program support. They set policy, priorities, goals, standards, and procedures, direct and evaluate program administration, delegate authority for decentralized programs, allocate funds and staffing, and provide administrative and accounting support services. As part of the National Performance Review, HUD is currently implementing a major reorganization that will eliminate many of the functions traditionally performed by the regional offices. Program assistant secretaries in Headquarters will have direct line authority to the field.

FIELD OPERATIONS/STRUCTURE

The Department has 9,584 field employees and is organized for field operations into 10 regions and 81 field offices. The regional offices are headed by regional administrators who have line authority for HUD programs in their regions. They report directly to the Secretary and are responsible for ensuring that program goals are met and that programs function in accordance with HQ guidance, directing and evaluating performance, and allocating funds and staffing. Field offices administer HUD programs for designated geographic areas and report to the regional offices. The reorganization of HUD will eliminate many of the functions traditionally performed by the regional offices. Assistant Secretaries will have direct line authority to the field, and
responsibility and accountability for as many decisions as possible will be shifted to the field offices.

U.S. Department of Housing and Urban Development
Headquarters -- 451 Seventh Street, S.W. -- Washington, DC 20410

DEPARTMENT OVERVIEW

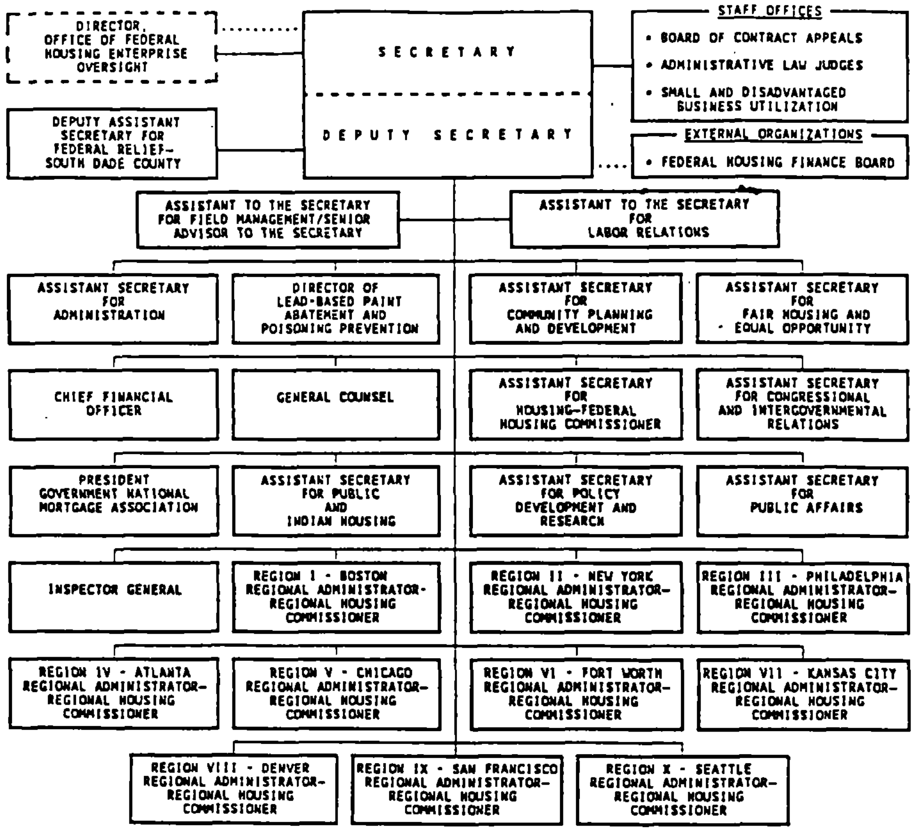


TABLE OF PERSONNEL BY PROGRAM - FY 1994

PROGRAM	PERSONNEL (on-board 12/11/93)
Housing programs	5,887
Public and Indian Housing	1,487
Community Planning and Development	996
Fair Housing and Equal Opportunity	656
All Other	3,783
Total on-board	12,809

Note: Staff is funded from one major appropriation, Salaries and Expenses, HUD, and other amounts for the Office of Inspector General, the Working Capital Fund, and the Office of Federal Housing Enterprise Oversight. For FY 1994, amounts made available in the Appropriation Act total $973,968,000.

DEPARTMENT OF TRANSPORTATION

HISTORY

The Department of Transportation was established in 1967 to assure the coordinated and effective administration of transportation programs and to develop national transportation policies and programs. Today, DOT employs slightly over 68,000 civilian and 39,000 U.S. Coast Guard military employees and has an annual budget of approximately $39 billion.

MISSION, OPERATIONS/STRUCTURE

DOT is comprised of the Office of the Secretary, which is responsible for leadership, strategic planning and program coordination, and nine operating administrations, each of which plays an important part in meeting the Nation's transportation needs. The following descriptions illustrate the administrations' roles in providing a safe, efficient, and truly "intermodal" American transportation system.

The ***U.S. Coast Guard*** has a multi-mission role which includes search and rescue, law enforcement, pollution response, and national defense.

The ***Federal Aviation Administration*** is responsible for providing a safe/efficient aviation system, which includes developing and operating the Nation's air traffic control system.

The ***Federal Highway Administration*** provides oversight to all aspects of the Nation's highways, including research, planning, design, construction, operation and maintenance. It assists state and local governments in financing highway and bridge programs.

The ***Federal Railroad Administration*** promotes and enforces railroad safety nationwide. It administers financial assistance programs for railroads and manages projects aimed at achieving national railroad safety goals.

The ***National Highway Traffic Safety Administration*** conducts programs aimed at reducing injuries and fatalities resulting from motor vehicle accidents. It also sets and enforces Federal motor vehicle safety and fuel economy standards.

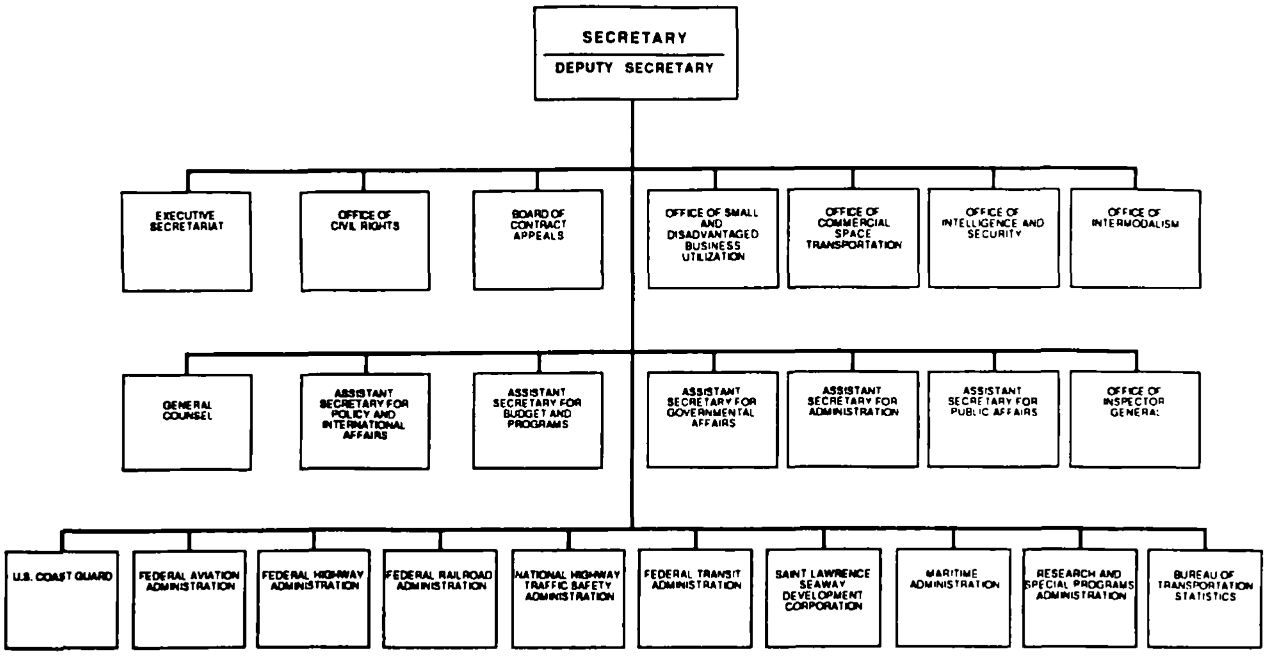
The ***Federal Transit Administration*** provides assistance for comprehensive and coordinated mass transportation systems.

The ***St. Lawrence Seaway Development Corporation*** is responsible for operation of the Seaway and for navigation on sections of the St. Lawrence River.

The ***Maritime Administration*** promotes the development and maintenance of a well balanced U.S. merchant marine.

The ***Research and Special Programs Administration*** administers programs that cross operating administration lines such as transportation research and development, hazardous material and pipeline safety, and emergency preparedness.

U.S. DEPARTMENT OF TRANSPORTATION



ORGANIZATION	END OF FY 93 FTE	FY 94 ENACTED BUDGET(in $000)
OFFICE OF THE SECRETARY	1,093	255,454
OFFICE OF THE INSPECTOR GENERAL	495	39,000
U.S. COAST GUARD	6,351 (civilian)	3,684,844
FEDERAL AVIATION ADMINISTRATION	53,144	8,644,772
FEDERAL HIGHWAY ADMINISTRATION	3,998*	20,251,570
FEDERAL RAILROAD ADMINISTRATION	706	1,016,307
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	714	298,145
FEDERAL TRANSIT ADMINISTRATION	492	4,582,574
ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION	169	10,765
MARITIME ADMINISTRATION	1,125	501,470
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION	875	54,784
	69,162*	39,339,685

* Figures do not include approximately 670 FTE primarily on the payroll of Interior through allocation from FHWA for the Federal Lands Program.

DEPARTMENT OF ENERGY

HISTORY

The Department of Energy (DOE) was established on October 1, 1977 in conformance with the Department of Energy Organization Act (Public Law 95-91), which transferred functions and associated personnel from the Energy Research and Development Administration (ERDA), Federal Energy Administration (FEA), the Federal Power Commission (FPC), and selected energy-related functions of the Departments of Commerce, Navy, Interior and the Interstate Commerce Commission.

MISSION

The Department of Energy is entrusted to contribute to the welfare of the Nation by providing the scientific foundation, technology, policy and institutional leadership necessary to achieve efficiency in energy use, diversity in energy sources, a more productive and competitive economy, improved environmental quality, and a secure national defense.

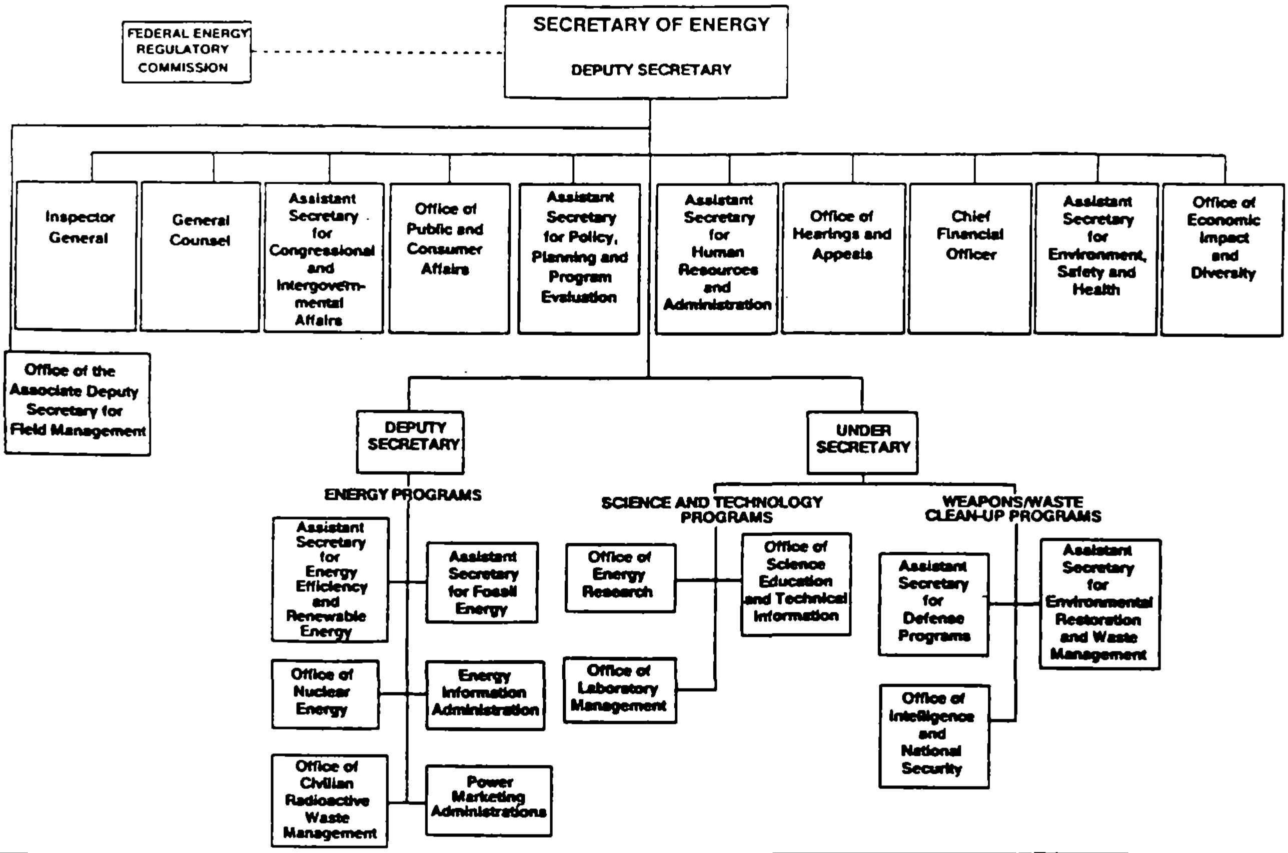
HEADQUARTERS OPERATIONS/STRUCTURE

The DOE workforce is comprised of approximately 20,000 Federal and 140,000 contractor employees whose collective efforts contribute to the diversity of the Department's activities. The principal officers of the Department are the Secretary, the Deputy Secretary and an Under Secretary. DOE headquarters includes a General Counsel, Inspector General, Chief Financial Officer, eight Assistant Secretaries each of whom heads a program (Environmental Management, Defense Programs, Fossil Energy, Energy Efficiency, and Environment, Safety and Health) or administrative (Congressional Affairs, Policy, and Human Resources) office, and eleven secretarial offices in such areas as Field Management, Energy Research and Energy Information. The Headquarters provides all elements of the Department with management direction and broad policy overview, oversight, planning and budgeting, resource allocation, and maintaining relations with Congress, other Federal agencies, and the public.

FIELD OPERATIONS/STRUCTURE

The Department's field structure is composed of eight Operations Offices, five Power Marketing Administrations, ten regional support, approximately 26 site/special purpose offices, and 9 national laboratories. The Operations Offices report to Headquarters through the Associate Deputy Secretary for Field Management who is responsible for coordinating and resolving institutional, administrative management (including budget and staffing), and crosscutting issues among Headquarters elements. The Power Marketing Administrations are separate and distinct organizational entities headed by Administrators who report to Headquarters through the Deputy Secretary. The regional support offices regulate state and local assistance programs, and the site/special purpose offices manage specific programmatic functions in such areas as Energy Technology, Environmental Management and Petroleum Reserves (Naval and Strategic); both report to Headquarters program organizations. The Department's laboratories are engaged in a vast array of research and development activities that encompass the entire spectrum of the fundamental sciences. The 140,000 dedicated contractors are the core of DOE's science and technology complex, including the national laboratories. Contractors manage and operate design and production facilities, as well as environmental restoration and waste management activities of the Department.

DEPARTMENT OF ENERGY



Major Programs	FTE	FY 94 Appropriation (in thousands)**
Energy	2993	$2,893,145
Science and Technology	808	$2,811,172
Weapons/Waste Clean-up	5657*	$10,524,010
Secretarial Support	2977	$287,771
Power Administrations	5349	$370,763
Operations Offices***	1153	$2,017,597
Federal Energy Regulatory Commission	1482	$2,523
Prior Year Balances		($53,900)
DOE Total	20,419*	$18,853,081

* Figure reflects additional FTE's received during SHARING (FY 94 pass-back) for the Environmental Restoration and Waste Management Program.

** FY 94 Estimated Appropriations Distribution.

*** Matrix and support of the Energy and Science and Technology Programs

DEPARTMENT OF EDUCATION

HISTORY

The U.S. Department of Education was created by the Department of Education Organization Act (P.L. 96-88) on October 17, 1979, and established by Presidential Executive Order 12212 on May 4, 1980. Previously, the Office of Education was part of the Department of Health, Education, and Welfare.

MISSION

The mission of the Department of Education is to ensure equal access to education and to promote educational excellence throughout the nation. To fulfill its mission, the Department is: creating a national movement to achieve the National Education Goals; promoting systemic reform to help all students meet challenging standards; strengthening families and equipping communities to enable them to support their children's schooling; and ensuring that all Americans have access to an excellent education.

To attain its goals, the Department provides leadership and direction in developing national education policy; awards grants and guarantees loans for post-secondary education students; and provides financial assistance to State and local governments, schools, and nonprofit organizations to improve the access of all Americans to a high quality education. Currently, the Department administers about 240 educational assistance programs with a budget of over $30 billion annually.

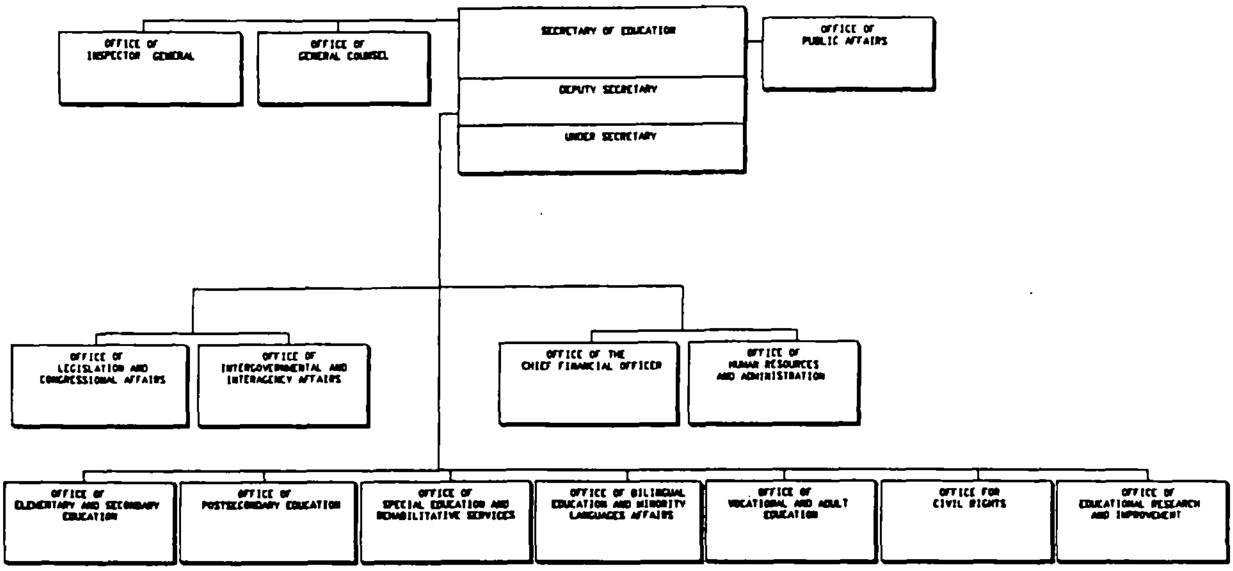
HEADQUARTERS OPERATIONS/STRUCTURE

Currently, the Department of Education has 5,149 employees, 3,598 of whom are located at Department headquarters. The Department is divided into 16 principal offices, half of which are staff offices and half program offices. The two largest staff offices are the Office of Human Resources and Administration and the Office of the Chief Financial Officer. The two largest program offices include the Office of Post-secondary Education and the Office for Civil Rights. Over half of the Department's employees are education program specialists, secretaries, student aid lender reviewers, equal opportunity specialists, program analysts, and grant specialists.

FIELD OPERATIONS/STRUCTURE

The Department's field operations are divided into 10 regional offices with a total of 1,551 employees. Most of these employees work on matters pertaining to civil rights enforcement and financial assistance for post-secondary education. Regional office personnel are divided into separate units that report directly to principal offices located at headquarters.

U.S. DEPARTMENT OF EDUCATION
ORGANIZATIONAL CHART



Personnel/Appropriations by Program (In thousands of dollars)

PROGRAM	# OF PERSONNEL	TYPE OF STAFF*	FY 1994 $
Pell Grants	265	Management Analysts Systems Analysts	6,556,731
Federal Family ED Loans	478	Lender and Institution Review Specialists	4,146,119
Direct Loans**	45	Program Analysts	289,793
Compensatory ED - Chapter 1	85	ED Program Specialists	6,924,497
Special ED	143	ED Program Specialists	3,198,702
Vocational and Adult ED	106	ED Program Specialists	1,488,331
Other	4,027	-	8,372,401
TOTAL	5,149	-	30,976,574

* In addition to professional staff, all programs have clerical staff.
** Staffing levels will gradually increase for this new program which could replace the Federal Family ED Loan Program by FY 1998.

DEPARTMENT OF VETERANS' AFFAIRS

HISTORY

The Department of Veterans Affairs (VA), established as an independent agency under the President by Executive Order 5398 of July 21, 1930, was elevated to Cabinet Level on March 15, 1989, by Public Law 100-527.

MISSION

The Department's mission is to serve America's veterans and their families with dignity and compassion and to be their principal advocate in ensuring that they receive the care, support, and recognition earned in service to this Nation. The 26.8 million veterans and their estimated 43 million dependents and survivors total approximately 70 million potential beneficiaries of VA benefits and services. As advocates for veterans and their families, the VA community is committed to "Putting Veterans First" in providing the very best services with an attitude of caring and courtesy. Our primary functions involve providing medical care, benefits delivery, and memorial services.

HEADQUARTERS OPERATIONS/STRUCTURE

The Department of Veterans Affairs comprises three organizations that administer veterans programs: the Veterans Health Administration, the Veterans Benefits Administration, and the National Cemetery System. Each organization has field facilities and a Central Office component. The Central Office also includes separate offices that provide support to the top organizations' operations as well as to top VA executives.

Six Assistant Secretaries provide policy guidance, operational support, and managerial oversight to the Secretary and Deputy Secretary, the administrations, and other top staff.

Other major headquarters operations includes the Offices of the Inspector General, General Counsel, the Board of Veterans Appeals and the Contract Appeals Board.

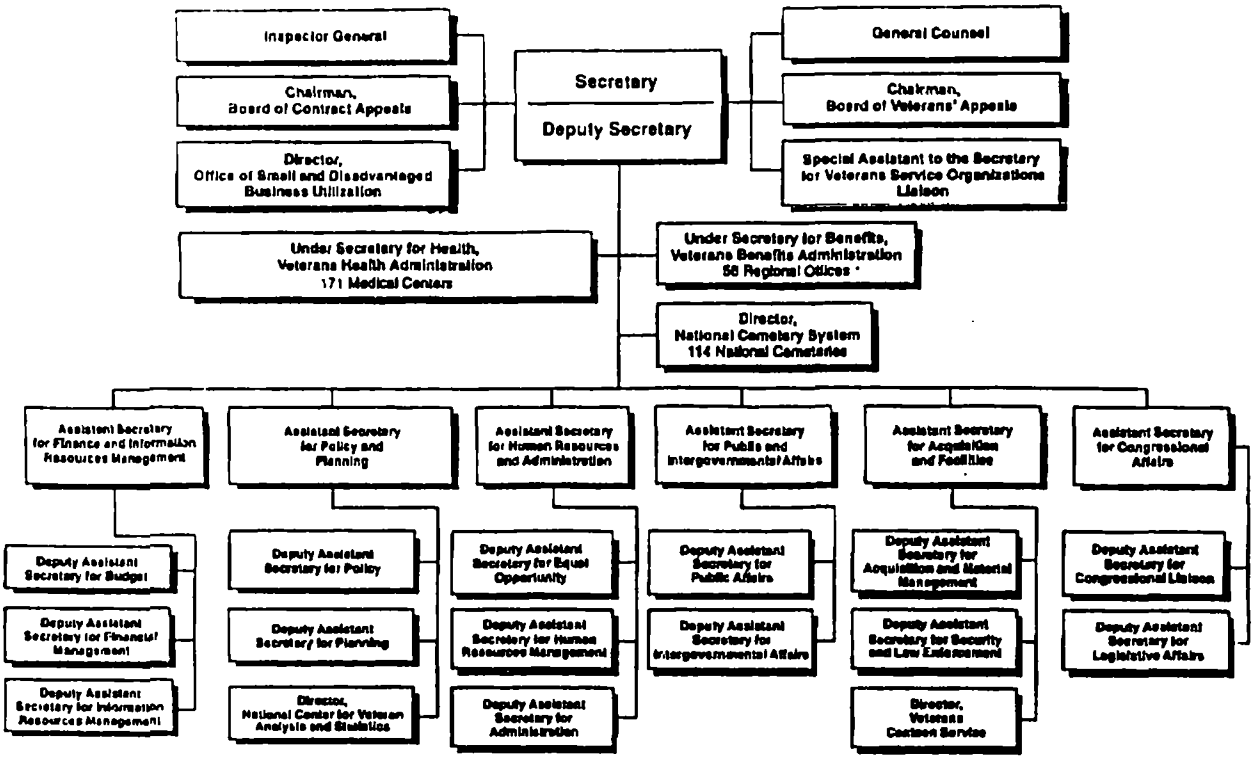
FIELD OPERATIONS/STRUCTURE

The Department is the second largest of the 14 Cabinet departments with over 267,000 employees. (Number reflects a head count rather than FTE. It includes part-time and intermittent employment.) VA has facilities in all 50 states, Washington, D.C., Puerto Rico, and the Philippines. Under four Regional Offices, VA operates the Nation's largest medical system, with 171 hospitals, 129 nursing home care units, 35 domiciliaries, and more than 362 outpatient, community-based and rural outreach clinics. In the benefits areas, through four area offices and 58 regional offices, VA provides direct monetary benefits, including disability compensation, pensions, educational assistance and vocational rehabilitation. VA also has guaranteed more than 13 million home loans and operates one of the world's largest life insurance programs. Under three area offices, VA operates and maintains 114 national cemeteries, providing cemetery headstones and markers, and burial flags.

About 1 of every 10 Federal employees works for VA and among the many different professions represented in the vast VA work force are physicians, nurses, counselors, statisticians, architects, computer specialists, and attorneys.

The Department's FY 1994 appropriation level of $35.9 billion will enable VA to continue its vital mission of providing quality service to those who have served this country in the Armed Forces.

Department of Veterans Affairs



$ in thousands	FY 1994 Budget Authority	FTE
Medical Care	15,622,452	205,188
Medical Research	252,000	4,260
MAMOE	68,500	824
Other Medical Programs	10,444	
Construction, Major	369,000	
Construction, Minor	153,540	100
Other Construction Programs	48,175	
Veterans Benefits Administration	732,777	13,847
General Administration	223,938	3,055
National Cemetery System	70,507	1,315
Inspector General	31,436	417
Non-appropriated programs		6,107
Other Benefits Programs	991	
Total Current Services	17,583,760	235,113

ENVIRONMENTAL PROTECTION AGENCY

HISTORY

The Environmental Protection Agency (EPA) was established as an independent Agency by Reorganization Plan 3 of 1970 effective December 2, 1970. Legislation to elevate EPA to Cabinet level has been passed by the Senate and is pending in the House.

MISSION

EPA is designed to permit coordinated and effective governmental action on behalf of the environment by abating and controlling pollution on a systematic basis through a variety of research, monitoring, standard setting, and enforcement activities. As a complement to its other activities, EPA coordinates and supports research and anti-pollution activities by State and local governments, private and public groups, individuals, and educational institutions. The EPA also reinforces efforts among other Federal agencies with respect to the effect of their operations on the environment.

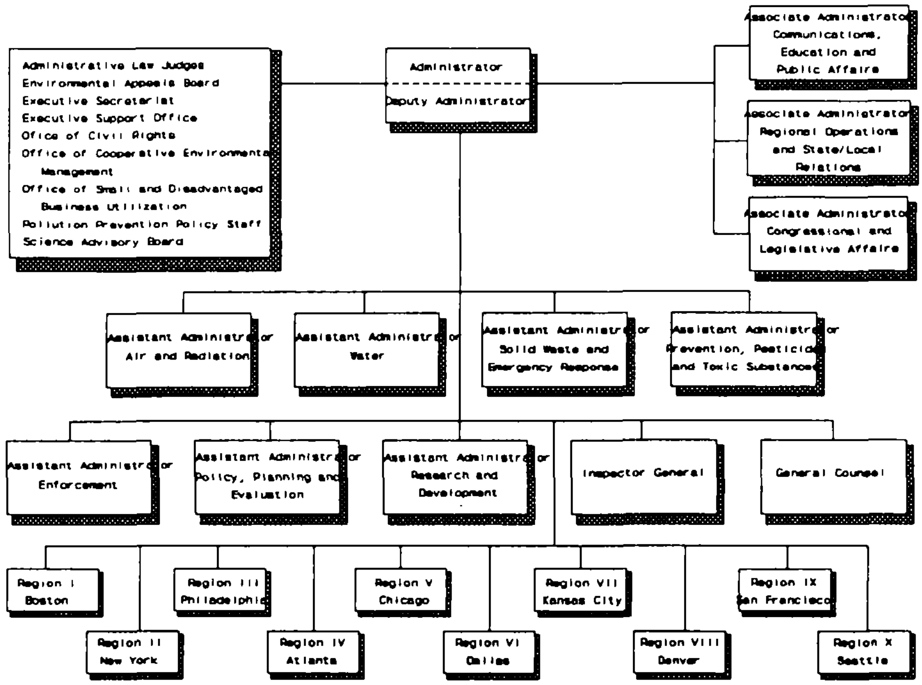
HEADQUARTERS OPERATIONS/STRUCTURE

The Agency is directed by an Administrator and Deputy Administrator. EPA headquarters includes a General Counsel, Inspector General, and nine Assistant Administrators, each of whom heads a program (Air and Radiation; Water; Prevention, Pesticides, and Toxic Substances; and Solid Waste and Emergency Response) or functional (Research and Development; Enforcement; Administration and Resources Management; Policy, Planning and Evaluation; and International Activities) office. The national programs are responsible for developing national policies, standards, and guidance; providing oversight and evaluating progress; and for taking actions that are of national significance or multi-regional in nature. The national program managers assure consistent implementation of national policy through the regional apparatus.

FIELD OPERATIONS/STRUCTURE

The regional offices, which report directly to the Administrator, are responsible for adapting Federal policies and objectives to state and local programs, and for providing a single point for Federal contact with state and local government officials on environmental matters. This includes negotiating the terms and conditions of financial assistance awards supporting state and local governments; enforcement; negotiating and monitoring delegation agreements; reviewing permits; assessing state plans; providing technical assistance, and maintaining appropriate oversight of environmental activity in their region. Where programs are delegated to the states, the regions are responsible for assisting, supporting and evaluating state programs. Where programs are not yet delegated to states, the regions are responsible for directly carrying out program operations.

Environmental Protection Agency



Major Programs	FTE*	Appropriation FY 94 (000)*
Air and Radiation	2,160	$452,506
Water	2,684	2,981,063
Solid Waste & Emergency Response	3,633	1,602,674
Prevention, Pesticides, & Toxic Substances	1,736	240,769
Research & Development	1,863	532,781
Enforcement	1,509	146,521
Other	3,883	702,613
EPA Total	17,468	$6,658,927

* Figures do not reflect the in-process reorganization that will transfer compliance-assurance functions from the four program offices to the Office of Enforcement.

OFFICE OF MANAGEMENT AND BUDGET

HISTORY

In 1911, the Budget and Accounting Act created the Bureau of the Budget to "assemble, correlate, revise, reduce or increase the requests for appropriations of the several departments and establishments." The Act also provided for Presidential fiscal leadership by forbidding Federal agencies from seeking funds directly from Congress. The Budget and Accounting Procedures Act of 1950 expanded the Bureau's functions to include statistical activities, program evaluation work, and certain auditing and accounting responsibilities. The Reorganization Plan No. 2 of 1970 designated the Bureau of the Budget as the Office of Management and Budget. It transferred all functions of the Bureau and its Director to the President, who in turn, delegated them to the Director of the Office of Management and Budget by E.O. 11541 of July 1, 1970. Three statutory offices have since been established: Office of Federal Procurement Policy (1974); (2) Office of Information and Regulatory Affairs (1980); and (3) Office of Federal Financial Management (1990).

MISSION/OPERATIONS/STRUCTURE

The following is a brief summary of the functions of each of the offices within OMB.

<u>National Security and International Affairs; General Government; Natural Resources, Energy, and Science; Human Resources; and Health/Personnel.</u> In the new Resource Management Offices, agency programs, budget requests, and management activities are analyzed, appropriations are apportioned, proposed changes in agency functions are studied, and special analyses aimed at establishing goals and objectives that would result in long- and short-range improvements in the agencies' financial, administrative, and operational management are conducted.

<u>OMB-Wide Offices.</u> Executive direction and coordination for all Office of Management and Budget activities is provided. This includes the Director's immediate office as well as staff support in the areas of administration, external affairs, legislative reference, legislative affairs, economic policy, general counsel, and budget review.

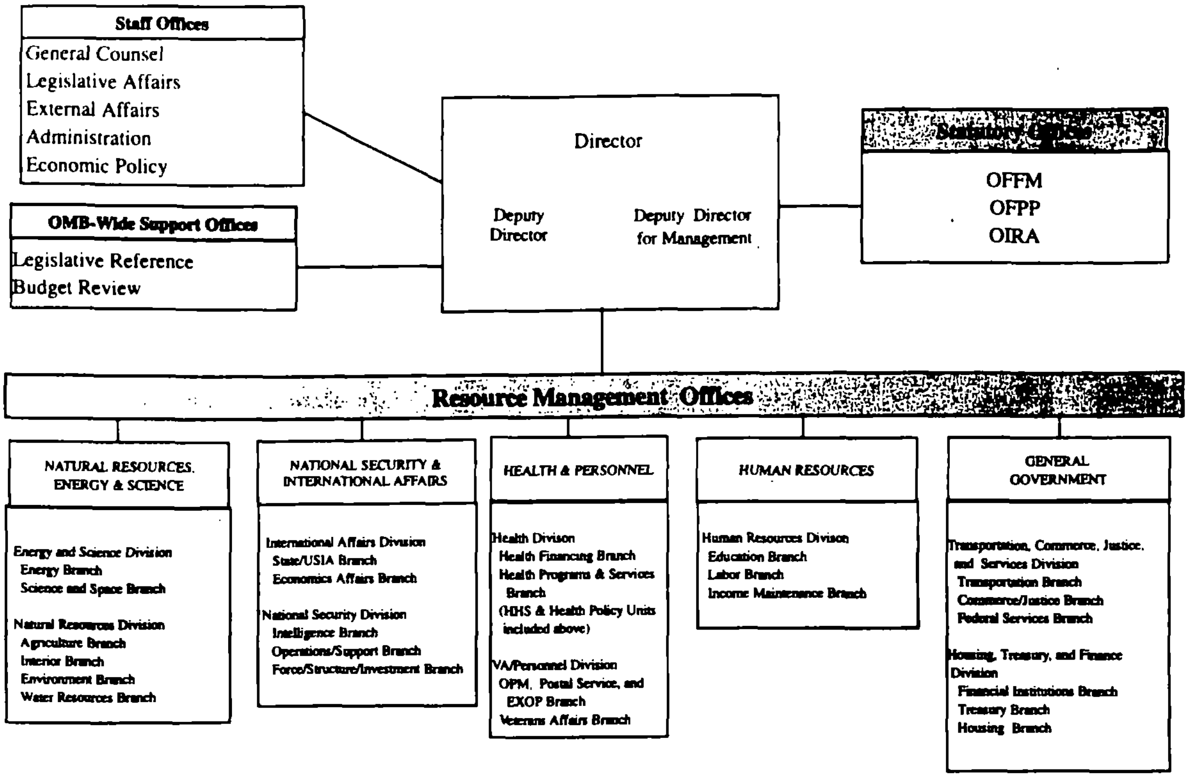
<u>Financial Management.</u> Policy guidance for implementing financial statements, financial systems, credit and cash management, and internal controls is provided to agencies; evaluation of agency performance and progress is carried out; and a Government-wide long-term financial management plan is prepared.

<u>Information and Regulatory Affairs.</u> Agency proposals to implement or revise Federal regulations and information collection requirements are reviewed and coordinated. Information resources management and statistical policies and practices are analyzed and developed.

<u>Office of Federal Procurement Policy.</u> The Office of Federal Procurement Policy is responsible for promoting economy, efficiency, and effectiveness in the procurement of property and services by and for the Executive Branch.

February 28, 1994

Office of Management & Budget



COUNCIL OF ECONOMIC ADVISERS

HISTORY

The Council of Economic Advisers was established by the Employment Act of 1946 to provide the President with objective economic analysis and advice on the development and implementation of a wide range of domestic and international economic policy issues.

MISSION

The mission of the Council of Economic Advisers is to:

- o Assist and advise the President in the preparation of the Economic Report.
- o Gather and analyze timely information concerning current and prospective economic developments and report regularly to the President on the relationship of these developments to the achievement of maximum employment, production, and purchasing power as prescribed in the act.
- o Appraise and report to the President on the extent to which the various programs and activities of the Federal Government contribute to the carrying out of the purposes of the act.
- o Develop and recommend to the President national economic policies to foster and promote competitive enterprise, to avoid economic fluctuations, and to maintain maximum employment, production, and purchasing power.
- o Make such studies, reports and recommendations on Federal economic policy and legislation as the President may request.

In carrying out these duties, the Council consults regularly with other government agencies and departments, as well as the Congress, and representatives of business, labor, consumers, agriculture, State and local governments, and the economics profession. In addition, the Members and staff of the Council are frequently called upon to serve on Cabinet Council working groups in a wide variety of fields.

Included in the Council's staff is a statistical unit which is responsible for the monthly publications economic indicators and the preparation of the statistical material in the annual Economic Report of the President, as well as for providing continuous assistance to the Council and professional staff.

HEADQUARTERS OPERATIONS/STRUCTURE

The Council of Economic Advisers consists of three Members, of which one is designated as the Chair, and 33 support staff. The Council has no field operations.

Council of Economic Advisers

ORGANIZATIONAL CHART

Chair

Chief of Staff

Executive Assistants (2)

Statistical Office (4)

Administrative Office (2)

Secretarial Staff (4)

Member (1) Executive Assistant	Member (1) Executive Assistant

Senior Economists (10)

Staff Economists (6)

Research Assistant (1)

FY 1994 Appropriations = $3,474 (mil)

THE PERMANENT REPRESENTATIVE

HISTORY

Pursuant to the UN Participation Act of 1945, the President, by and with the advice of the Senate, is authorized to appoint a Representative of the United States to the United Nations.

MISSION

The Representative of the United States serves as the Chief of Mission to the United Nations. The Mission serves as the channel of communication between the U.S. Government and UN organs, agencies and commissions; with the 183 other permanent missions accredited to the United Nations; and with various nonmember observer missions. It is also the base of operations for U.S. delegations to the General Assembly and to other UN bodies when they meet in New York. The Mission coordinates the constant flow of UN related activity with the Congress, the media, and representatives of organizations interested in the work of the United Nations.

OPERATION/STRUCTURE

The Representative is charged by the President with the conduct of all aspects of U.S. relations with the United Nations. The Representative currently is a member of the President's Cabinet and National Security Council. She provides advice to the President and the Secretary of State and participates in the development of policy decisions affecting the United Nations.

In the Security Council and General Assembly, the U.S. Representative articulates the United States position and negotiates with key officials of the United Nations and foreign missions on the basis of instructions received from the Department of State to advance and protect United States interests.

The U.S. Representative, who holds the rank of Ambassador, represents the United States in the Security Council and is assisted by four other ambassadors and a career staff.

The Deputy Representative of the United States of America to the United Nations fulfills the traditional Deputy Chief of Mission role. He assumes charge when the Representative is away from New York and substitutes when the Representative is otherwise unavailable. The Deputy often represents the United States in the Security Council and other major United Nations bodies. The incumbent of this position is also the management and coordination officer for the Mission.

The Alternate Representative of the United States of America for Special Political Affairs to the United Nations is the third highest-ranking official in the Mission. This newly defined position has responsibility for matters taken up by the Council, especially for all peacekeeping matters, a growing responsibility of the United Nations. He is directly involved in disarmament and security matters and other issues of high political interest to the United States, including Security Council expansion. The Alternate Representative is also accredited to the Security Council, along with the Permanent and Deputy Representatives.

The Representative of the United States of America on the Economic and Social Council of the United Nations - ECOSOC - deals with topics which range from sustainable development to human rights. The Representative on ECOSOC provides leadership to the General Assembly and frequently represents the United States at sessions in Geneva as well as in New York.

The Representative of the United States of America holds a newly defined portfolio which focuses on the issues of management and reform at the UN, both of which are high priorities for the Administration and for Congress.

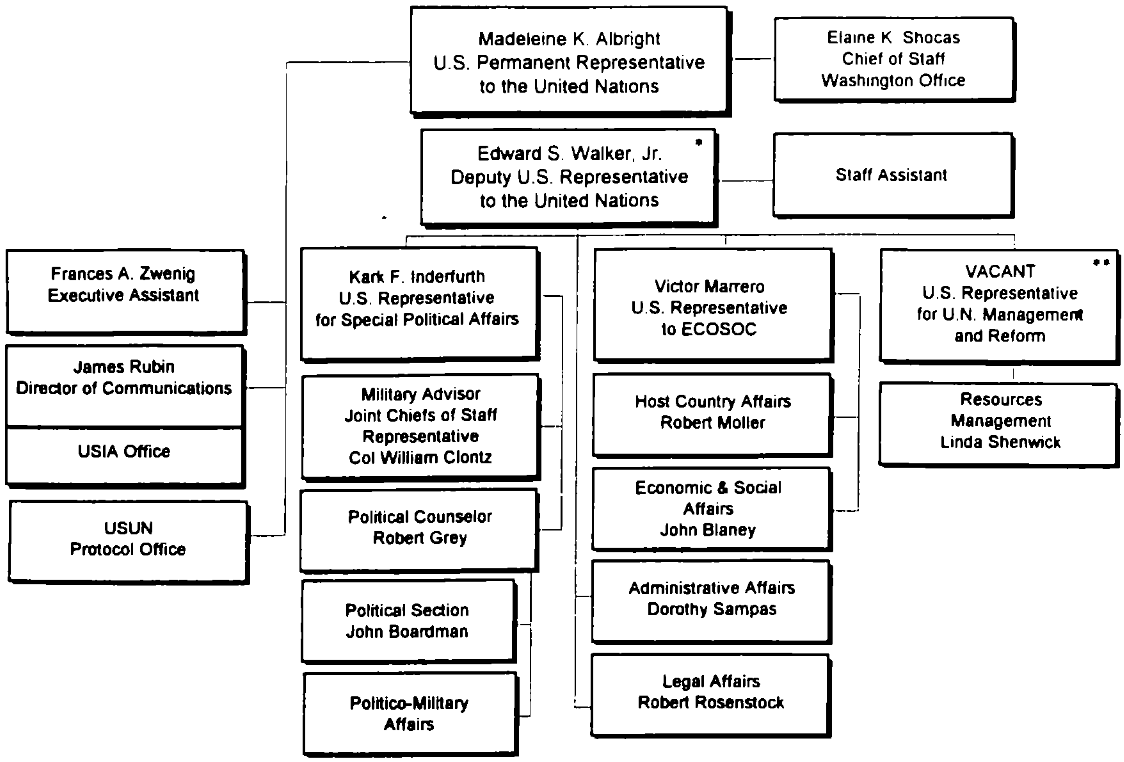
The Mission's career staff includes specialists in political, economic, social, financial, budgetary, legal, military, public affairs and administrative matters. Currently, 143 persons are assigned to the Mission by the Department of State and other U.S. departments and agencies.

The Mission's structure loosely parallels the substantive organization of the United Nations. Seven sections, each headed by a Counselor, are responsible to the Representative of the United States of America to the United Nations: the Political Section, Economic and Social Affairs Section, Legal Affairs Section, Resources Management Section, Host Country Section, Press and Public Affairs Section, and Administrative Affairs Section. Two other sections in the Mission act in an advisory and administrative capacity: The Military Adviser to the UN's Military Staff Committee, and the New York Office of the Chief of Protocol, part of CPR.

The career staff assists the Permanent Representative in such activities as planning the tactical pursuit of U.S. policy objectives in UN organs and bodies; carrying out consultations, negotiations and liaisons with other delegations and the UN Secretariat; preparing policy recommendations to the Department of State; reporting to the Department of State on consultations and developments in the United Nations; discharging U.S. responsibilities as host government; carrying out public affairs activities; and planning and administering conference operations.

The Permanent Representative also maintains a Washington office in the Department of State which handles all Cabinet matters and serves as the liaison between the Representative and the White House, other members of the Cabinet, as well as with officials and bureaus within the Department of State. The Washington office is responsible for the National Security Council (NSC) work for the Permanent Representative, who acts as a Principal on the NSC, and for Congressional relations.

United States Mission to the U.N.



A summary of Mission funds and positions for FY 94:

Appropriation	Funds($000)	Positions*
Administration of Foreign Affairs	3,360.5	111

*Full Time Permanent

*Edward W. Gnehm, Jr. Awaiting Confirmation
**David E. Birenbaum Awaiting Confirmation

04/18/94
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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

HISTORY

Under the Trade Expansion Act of 1962, the Office of the United States Trade Representative (USTR), so named in 1975, was established in October 1962 as the Office of the Special Representative for Trade Negotiations.

MISSION

The purposes of USTR are to stimulate the economic growth of the United States generally, to maintain and enlarge foreign markets for the products of United States industry and agriculture, and to strengthen United States economic relations with foreign countries via the development of open and nondiscriminatory trading throughout the world.

HEADQUARTERS OPERATIONS/STRUCTURE

With a view to supporting the United States Trade Representative in providing advice to the President on trade matters, USTR develops and coordinates U.S. international trade, commodity and investment policy and leads U.S. negotiations with other nations on such matters. This entails managing the private sector advisory system, consulting regularly with Congress, and chairing the interagency committees which are integral to the formulation of trade policy within the Executive Branch. These efforts are facilitated by a flexible organizational structure that engenders within USTR close cooperation among regional offices, sectoral offices (e.g., agriculture, industry, intellectual property rights, investment, services), the Office of Policy Coordination, the Office of Congressional Affairs, the Office for Intergovernmental Affairs and Public Liaison, and the Office of Public Affairs. Below is an outline of the USTR organization.

FIELD OPERATIONS/STRUCTURE

USTR maintains an office in Geneva, Switzerland with a staff of approximately 20. Functions correspond roughly to those in Washington, D.C..

United States Trade Representative
- Chief of Staff
- Executive Director

Deputy United States Trade Representatives
- 2 Washington-based
- 1 Geneva-based

General Counsel

Counselor

Special Counsel for Finance and Investment Policy

Assistant U.S. Trade Representatives (AUSTR) and Equivalents

- Chief Textile Negotiator

- AUSTR for Japan, China and Mongolia
- AUSTR for Asia and the Pacific
- AUSTR for Europe and the Mediterranean
- AUSTR for Latin America, the Caribbean and Africa
- AUSTR for North America

- AUSTR for Multilateral Trade Negotiations
- AUSTR for GATT Affairs
- AUSTR for Industry
- AUSTR for Services, Investment and Intellectual Property
- AUSTR for Environment and Natural Resources
- AUSTR for Agriculture

- Executive Director, Policy Coordination
- AUSTR for Intergovernmental Affairs and Public Liaison
- AUSTR for Congressional Affairs
- AUSTR for Public Affairs

- Chief Economist
- AUSTR for Administration

Senior Policy Advisors

BUDGET FOR FY'94 ($'000)

Trade Coordination and Negotiation	18,725
Geneva Trade Negotiations	2,346
CFTA Panelist Expenses	450
	21,521
Reimbursable Program	380
	21,901
Total FTE's	157

OFFICE OF NATIONAL DRUG CONTROL POLICY

HISTORY

The Office of National Drug Control Policy (ONDCP) was established in 1988, by an act of 100th Congress. This Act, titled the *Anti-Drug Abuse Act of 1988* was codified as Public Law 100-690. It establishes ONDCP as the President's primary Executive Branch support for all drug policy and program oversight. The Act provides for four Presidentially-appointed and Senate-confirmed positions: a Director, Deputy Directors for both Supply and Demand Reduction, and an Associate Director for State and Local Affairs. The law also provides for the position of Chief Scientist for counter-narcotics research and development, as the Director of the Counter Technology Assessment Center (CTAC).

MISSION

The Director, ONDCP, is charged by law with formulating, evaluating, coordinating, and overseeing both international and domestic anti-drug abuse functions by all Executive Branch drug control Departments and agencies, and ensuring that such functions sustain and complement State and local anti-drug abuse efforts.

Mandated ONDCP activities include:

- Developing, coordinating, and submitting to the Congress an annual National Drug Control Strategy that includes comprehensive, research-based, long-range goals for reducing drug abuse in the United States, short-term measurable objectives which the Director determines may be realistically achieved in the 2-year period beginning on the date of the submission of the Strategy, and a description of the balance between resources devoted to supply reduction and demand reduction. In developing this Strategy, the Director is required to consult with the widest possible range of individuals and groups, including the heads of the National Drug Control Program agencies, the Congress, State and local officials, private citizens with expertise and experience in demand reduction and supply reduction.

- Developing a consolidated National Drug Control Budget for presentation to the President and the Congress. This process includes certification of each drug control budget as adequate to implement the objectives of the National Drug Control Strategy for the year for which the request is submitted and reporting to Congress on a quarterly basis regarding the need for any reprogramming or transfer of funds for National Drug Control Program activities and efforts.

- Coordinating and overseeing Federal anti-drug policies and programs involving approximately 50 Federal agencies and 12 cabinet-level Departments and the programs they administer.

- Encouraging private sector and State and local initiatives for drug prevention and control.

- Recommending to the President changes in the organization, management, and budgets of Federal Departments and agencies engaged in the anti-drug effort.

- Representing the Administration's drug policies and proposals to Congress.

- Participating in the National Security Council deliberations which concern drugs.

- Producing legislatively-mandated studies and reports for submission to the President and the Congress.

- Establishing and overseeing numerous legislatively-mandated national campaigns and commissions.

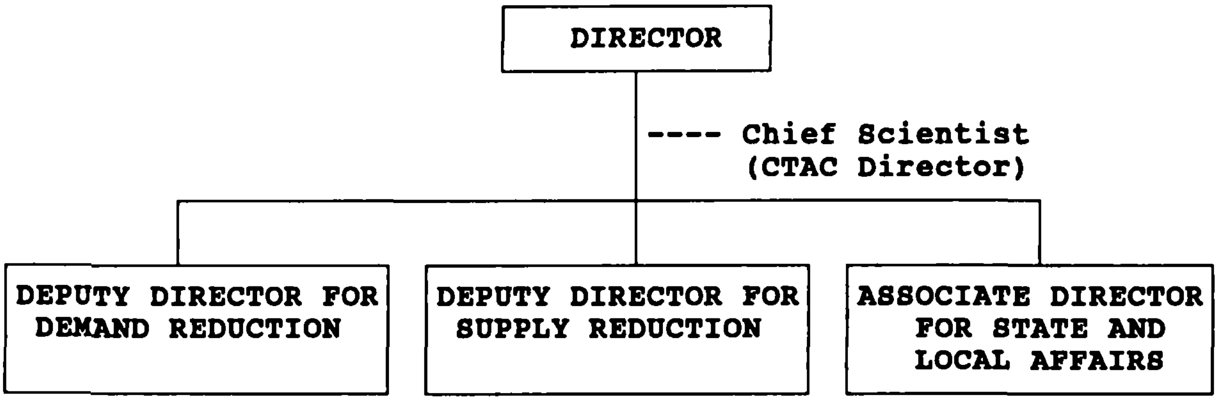
- Designating certain carefully selected areas as High Intensity Drug Trafficking Areas (HIDTA) and managing the policy and program development for the overall HIDTA program.

- Establishing the CTAC to serve as the central counter-narcotics research and development center for the Federal Government.

HEADQUARTERS OPERATIONS/STRUCTURE

The Office of the Director comprises the immediate staff supporting the Director. The Director is charged by law with formulating, evaluating, coordinating, and overseeing both international and domestic anti-drug abuse functions by all Executive Branch agencies, and ensuring that such functions sustain and complement State and local anti-drug abuse efforts. Other headquarters staff include the Chief of Staff, General Counsel/Legislative Liaison, Deputy Director for Demand Reduction, Deputy Director for Supply Reduction, Associate Director for State and Local Affairs, and Counter-Drug Technology Assessment Center.

Office of National Drug Control Policy



Performance Agreements

Performance Agreement

between

The President of the United States

William Jefferson Clinton

and

The Secretary of The Interior

Bruce Babbitt

I. **Introduction**

The American people deserve a government that works better and costs less. The departments and agencies of the federal government hold vital keys to improving performance and to restoring the faith of the American people in their government. Many changes will need to take place for this broad goal to be realized. The purpose of performance agreements with senior officials is to establish clarity and consensus about the priorities for departmental management. They are intended to improve the management of the Executive Branch and are not intended to and do not create any legally enforceable rights. From these agreements should flow the program and management priorities of the departments. These agreements represent a beginning, a basis for continuous improvement as we reinvent our government to meet the needs and expectations of the American people.

II. **The Department of The Interior**

This Agreement reflects the major objectives developed by the Secretary for the Department of the Interior to achieve over the next several years as well as specific performance measures to be accomplished in Fiscal Year 1994. It also describes areas of specific support the Administration intends to provide for the accomplishment of these objectives.

The Secretary undertakes to accomplish the following at the Department of the Interior:

Establish The National Biological Survey

The Secretary is committed to establishing a new organization within the Department that will serve as an important nation-wide repository for biological data for government customers and the public, and that will provide an integrated natural resources scientific database, including a national status and trends survey. This information will be used to develop sound natural resource management and development decisions.

Reform Land Management at the Department of The Interior

The Secretary is committed to reforming rangeland programs administered by the Bureau of Land Management in order to restore and improve the ecological condition of the rangeland; to manage for biodiversity, forage production and sustainable ecosystems; and to establish a fair and equitable grazing fees for private use of public lands.

The Secretary is committed to implementing a comprehensive reform of mining activities on public lands in order to eliminate land patent giveaways, charge a fair royalty for public minerals and provide strong environmental protection for public lands.

Reinvent the Bureau of Reclamation

The Secretary is committed to transforming the Bureau of Reclamation from a civil works agency into the leading water management agency that is cost-effective in serving its customers.

Strengthen the Commitment of the National Park System to Employees and the American Public

The Secretary is committed to improving the morale and working conditions of employees in the National Park Service. The Secretary is committed to resolving the professional discrepancies between full time and seasonal temporary employees and enhancing professional development opportunities for Park Rangers and other Park Service employees.

The Secretary is also committed to the entrepreneurial management of the national parks through improved fee applications and collections and contract negotiations. Creative use of private funds to mitigate the problems of employee housing is an important goal of the Secretary.

Act as a Partner with Indian Tribes

The Secretary will demonstrate this Administration's commitment to fulfillment of the federal Indian Trust responsibility and the creation of a mutually respectful, beneficial government to government partnership by achieving progress necessary to accomplish national Indian self-determination objectives and address the concerns of Congress.

Make the Endangered Species Act Work

The Secretary is committed to reforming the administration and implementation of the Endangered Species Act to minimize conflicts, maximize flexibility for conflict resolution, and conserve our Nation's ecosystems for future generations.

Champion Collaboration and Performance at the Department of The Interior

The Secretary will champion the Administration's commitment to a government that works better by demonstrating creative patterns of collaboration, organization and communication with employees, other agencies and citizens.

With the leadership of the Secretary, the Department of the Interior will develop one of the *best appraisal processes among federal agencies for its Senior Executive Service managers, measuring progress on three common departmental elements: increased cross-organizational cooperation and action, increased employee diversity, and improved matching of decision-making level to decision needed.*

III. Measurement of Performance

To measure progress against the above objectives, the Secretary is committed to accomplishing specific measurable results. Specific measures for Fiscal Year 1994 are described in Annex A.

To maintain focus and a sense of urgency and to have a real impact on performance, there will be periodic reviews of progress, discussion of difficulties encountered and agreement on appropriate actions. These reviews will be held between the President and/or his designees and Department officials and, with greater frequency, within the Department. Any specific reporting requirements will be developed jointly with the Department.

IV. Administration Support

In order to accomplish the above described objectives and measures during Fiscal Year 1994, it is the Administration's objective to provide the Department of the Interior with the following specific support:

- Support for passage of authorizing legislation to establish the National Biological Survey.

- The Office of Management and Budget will provide generic clearances for customer surveys within two weeks of submission of requests by the Department of the Interior.

- Lead responsibility for mining law reform to the Department of the Interior to work with all affected federal agencies. In addition, the White House will establish a mechanism to provide effective liaison with the Department during mine legislation conference proceedings.

V. Miscellaneous

This Agreement is intended only to improve the internal management of the Executive Branch and is not intended to and does not create any right, benefit, trust or responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

VI. Term of Agreement

This Agreement will remain in effect until modified. It is expected that it will be updated at least annually to reflect significant changes in budget, policy, personnel or other factors that may affect the accomplishment of objectives.

This agreement represents our joint commitment to a Department of the Interior that works better and costs less and fulfills our sacred trust to the American people.

Bruce Babbitt
Secretary of The Interior

William J. Clinton
President of the United States

Attachment: Annex A: Performance Measures. Fiscal Year 1994

Annex: Performance Measures, Fiscal Year 1994

During Fiscal Year 1994 (FY 1994), performance will be measured by the successful accomplishment of the following specific measures:

1. ESTABLISH THE NATIONAL BIOLOGICAL SURVEY

a. The Secretary commits that the National Biological Survey will be a functioning organization as soon as FY 1994 appropriations become available. The National Biological Survey will maximize its programmatic work and minimize its administrative structures as it draws upon existing resources across the Department.

b. The Secretary will delegate to the Director of the National Biological Survey responsibility for expanding the current Department research program to include projects related to populations and ecosystems. The Secretary will publish clear research priorities for the National Biological Survey by the end of FY 1994. Those priorities will reflect the recommendations of users, communicated through surveys and other forms of customer response.

c. The National Biological Survey will develop an implementation plan by the end of FY 1994 to integrate the Department's biological database systems with other relevant federal and state databases.

d. By the end of FY 1994, the National Biological Survey will publish a generally accepted definition of natural resource status and trends that will provide information needed by the Nation to help avert endangered species crises and to aid in wise management and development decisions.

e. The National Biological Survey will provide information on populations and ecosystems to those government agencies, states and other entities that rely on biological data to administer programs and will work with such agency customers to insure that their needs can be met.

2. REFORM LAND MANAGEMENT AT THE DEPARTMENT OF THE INTERIOR

a. Subject to outcomes of the Conference Committee, the Secretary will take final action on the administrative proposal that was first announced in August 1993 to improve management of rangeland ecosystems and provide for more effective administration of livestock grazing on public lands.

b. In early 1994, the Department will publish a draft Notice of Proposed Rulemaking for public comment and a draft Environmental Impact Statement regarding rangeland reform. The Secretary is committed to implementing changes in the grazing fee formula that will be used to set fees for grazing on federal lands. The Secretary also will eliminate the existing Grazing Advisory Boards and District Advisory Councils and replace these with new Resource Advisory Councils that can better represent the many constituencies concerned with public lands and respond to the needs of rangeland managers within specific geographical areas.

c. The Department will develop an experimental set of outcome measures for successful changes in grazing management. Development of these measures will involve the Resource Advisory Board members. These will be included in the final Administrative Proposal to be published by the end of FY 1994.

d. The Secretary will commit significant personal time and appropriate staff resources during FY 1994 to insure passage of mining law reform legislation, under the principles that have been enunciated by the Administration.

3. REINVENT THE BUREAU OF RECLAMATION

a. A policy directive will be published in early FY 1994 that will articulate a new mission and structure for a streamlined Bureau of Reclamation. This mission will commit the Department to shift its emphasis from large civil works to water and environmental management.

b. In conjunction with Executive Order No. 12862, pertaining to customer service, the Bureau of Reclamation will strengthen relationships with the environmental community, water users and other customers during its transformation. In FY 1994, the Bureau will experiment with customer opinion surveys to measure the level of service expected and received.

4. STRENGTHEN THE COMMITMENT OF THE NATIONAL PARK SERVICE TO EMPLOYEES AND THE AMERICAN PUBLIC

a The Secretary will make significant progress in FY 1994 to develop a mechanism to provide seasonal and temporary employees greater benefits in line commensurate with the contribution they have made to the National Park Service. In addition, the Secretary will propose a plan to transfer eligible seasonal and part-time employees to Full Time Equivalents.

b. The Secretary will delegate to the Director of the National Park Service responsibility to finalize the Ranger Futures concept and initiate comparable employee career development activities for other Park Service employees by the end of FY 1994.

c. The Secretary will prepare legislation to eliminate prohibitions that restrict the collection of entrance fees at national parks, and to raise entrance fees in those parks where fees are currently charged. In addition, concession reform will commence with new negotiations of current contracts early in FY 1994.

d. A portion of increased fee revenues will be used to complete infrastructure improvement projects. The National Park Service will develop by the end of FY 1994 ongoing visitor opinion surveys to assess satisfaction with park services and facilities.

e. The problems of inadequate employee housing will be addressed during FY 1994 with a major Department initiative to fund needed housing improvements through private sector partnerships.

5. ACT AS A PARTNER WITH INDIAN TRIBES

a. In order to assist the tribes in better preparing themselves to compete and prosper in the 21st century, the Department will develop mechanisms to support the renewed federal/tribal partnership envisioned as the Administration develops its Indian policy position. To carry out this commitment, the Secretary will finalize and implement regulations pursuant to Pub.L. No. 93-638 as soon as possible in FY 1994 and will continue expansion of the self-governance initiative.

b. The Secretary will emphasize continued consultations with the tribes and Congress to develop an appropriate vehicle for the management of Indian trust funds including alternatives other than operations within the Bureau of Indian Affairs.

c. Through the reauthorization process for the Indian Education Act in 1994, the Department will develop a sound legislative plan for education of all Indian children in concert with the tribes, Indian parents, Congress, the Department of Education and other federal agencies which have funding and responsibility for Indian Education, and other concerned organizations and individuals.

6. MAKE THE ENDANGERED SPECIES ACT WORK

a. The Secretary will initiate key administrative reforms to the Endangered Species Act of 1973, as amended, by issuing four policy directives before the end of FY 1994:
1) A directive that provides a definition of *species* for listing purposes.
2) A directive that establishes standards for evaluating and accepting proposals to list species as threatened and endangered.
3) A directive that streamlines the Habitat Conservation Planning process.
4) A directive that stresses the need to conserve candidate species and the ecosystem in which they occur before further declines occur.

b. The Secretary will delegate to the Director of the Fish and Wildlife Service, in consultation with the Assistant Secretary for Indian Affairs, the responsibility for expanding and clarifying the role of states and tribal governments in implementing the Endangered Species Act of 1973, as amended.

c. The Secretary also commits to developing a departmental strategy to reauthorize the Endangered Species Act. The Department of the Interior will provide leadership in developing the Clinton Administration strategy to reauthorize the Endangered Species Act.

d. The Department will provide leadership with the White House to promulgate an Executive Order by February 1, 1994, that will direct Federal agencies to use their authorities to promote conservation of listed species.

e. The Secretary of Interior commits to timely action on individual species including a section 4(d) rule for the Northern Spotted Owl by March 1, 1994 (subject to the alternative timetables dictated by the completion of the FEMAT "Option 9" FEIS); a section 4(d) rule for the California Gnatcatcher by February 1, 1994; and an expedited processing of the Travis County, Texas, incidental take permit upon receipt of a completed permit application from Travis County.

f. Interior will measure its commitment to avoiding impasses through an analysis of the outcomes of the Northwest Summit and the California Gnatcatcher.

7. CHAMPION COLLABORATION AND PERFORMANCE AT THE DEPARTMENT OF THE INTERIOR

a. In carrying out the performance commitments of this agreement, Interior managers and employees will work across traditional organizational boundaries, whether internal or external. All implementing plans will establish working groups with cross-bureau and cross-agency membership, common goals and common measures of success.

b. The Secretary will delegate to the Deputy Assistant Secretary for Human Resources the responsibility for initiating in FY 1994 measures of accomplishment; including exit interviews with employees; analysis of appraisal data; and use of baseline employee opinion research.

c. The Department of the Interior's Minerals Management Service will conduct pilot opinion research with employees and external customers in FY 1994. The research will identify areas for future change.

d. In FY 1994, The Department of the Interior will sponsor a pilot project pursuant to the Government Performance and Results Act of 1993 to develop and test results-based performance measures for a single departmenal function carried out across at least four bureaus.

8. MISCELLANEOUS

The Performance Measures set forth herein are intended only to improve the internal management of the Executive Branch and are not intended to and do not create any right, benefit, trust or responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

Performance Agreement

between

The President of the United States

William J. Clinton

and

The Secretary of Labor

Robert B. Reich

I. Introduction

The American people deserve a government that works better and costs less. The departments and agencies of the federal government hold vital keys to improving performance and to restoring the faith of the American people in their government. Many changes will need to take place for this broad goal to be realized. The purpose of performance agreements with senior officials is to establish clarity and consensus about the priorities for departmental management. They are intended to improve the management of the Executive Branch and are not intended to and do not create any legally enforceable rights. From these agreements should flow the program and management priorities of the departments. These agreements represent a beginning, a basis for continuous improvement as we reinvent our government to meet the needs and expectations of the American people.

II. The Department of Labor

Section One: Purpose

This Agreement reflects the goals and priorities that Secretary of Labor Robert B. Reich has for the Department of Labor for fiscal year 1994 and supports his commitment to prepare America's workforce and workplaces for the 21st century.

Section Two: Department of Labor's Mission

The problem: Americans are working harder for less and are more anxious about their jobs and their children's futures.

Americans are working harder for less and are more anxious about their jobs and their children's futures than ever before. We can, however, ensure that all Americans will enjoy better living standards by creating a better prepared workforce and supporting high value-added work organizations. To do this, the Department of Labor has embraced four major departmental strategies to enhance worker preparedness and improve American workplaces.

The creation of a well-prepared workforce begins with "First Jobs" and our plan to prepare all Americans for good jobs at the start of their careers. Likewise, our workforce is strengthened when individual workers possess the skills to move between jobs as increasing globalization and advancing technologies change the way we work. Our second strategy, then, focuses on "New Jobs" and our commitment to ease the transition of Americans from job to job. Our third strategy recognizes that American success in a global economy also requires the development of "Better Jobs," and we will work diligently to create High Performance Workplaces throughout the country and to enhance the enforcement of labor laws that protect workers' rights, safety and health. Finally, we know that the successful creation of First, New and Better Jobs depends on the Department's willingness and ability to reinvent itself into a high performance work organization. Our fourth strategy, therefore, is to reaffirm our commitment to reinvent the Department through a labor-management partnership with our employee unions.

The following list of Fiscal Year 1994 goals represents the culmination of ideas that have been developed at all levels of the Department of Labor and reflect the Department's internal performance measures. Last June, for example, 150 Department managers, union representatives and field employees attended a leadership conference where many of these ideas were first posed. These ideas were analyzed and sharpened by reinvention teams looking at both agency specific suggestions and ideas that cut across agency lines. In addition, Department of Labor employees contributed over 1,500 Proposals to Reinvent and Improve Department of Labor Effectiveness (PRIDE), some of which have been included in our goals. Together with our employee unions, we have used these ideas to create an agenda for the effective delivery of First Jobs, New Jobs, and Better Jobs to the American workforce and workplace. Once signed, this document will be distributed to every employee of the Department of Labor and will lay the foundation for working performance agreements between the Secretary and his executive staff.

Section Three: Department of Labor Fiscal Year 1994 Goals

1. First Jobs: Prepare All Americans for Good Jobs

- Initiate School-to-Work: work with Congress to pass legislation; award eight competitive state grants and 15 to 25 competitive local grants; obtain ten corporate enrollments; the first youth will be enrolled for the 1994-95 school year

- Expand Job Corps: open two new centers; train an additional 350 enrollees for a total of 64,000; complete design on nine new sites

- Implement enriched 1994 Summer Program with increased private sector commitment; increase the number of summer job participants who receive education services

- Produce occupation specific Skill Standards in six industries

- Increase registered apprenticeships to 325,000 and increase new registrations of targeted groups by seven percentage points. Targeted groups include youth in registered apprenticeships, women and minorities

2. *New Jobs: Ease the Transition of American Workers from Job to Job*

- Develop comprehensive worker adjustment strategy for transmittal to the Congress early in 1994; work with the Congress with a goal of passing legislation by July 1994

- Initiate One-Stop Career Centers: work with the Congress to pass legislation; award grants in three to six states

- Participate in the Department's Defense Phasedown Initiative: establish 15 transition centers and provide service to 6,000 employees

- Begin implementing the Department's Profiling Initiative for 100% of unemployment insurance claimants in participating states as part of converting to a re-employment system

3. *Better Jobs: Create High Performance American Workplaces*

A. Create High Performance Workplaces

- Establish the Department's Workplace Performance Measurement Initiative by September 30, 1994 and develop discussion guide on high performance workplaces for use by investors and managers

- Encourage the diversity of American workplaces by increasing "glass ceiling" reviews in Fortune 1000 Companies from 19 to 40

- Address changes in the American workplace and respond to recommendations made by the Dunlop Commission

- Create a database of more than 500 best workplace practices and give awards to recognize at least ten companies that have developed high performance workplaces

- Establish an institute to train 40 senior union staff to participate fully as partners with management and to train local union leaders in new forms of labor-management cooperation

- Deliver education programs and provide direct assistance to enable America's 40,000 labor organizations to meet federal reporting and disclosure requirements more easily

B. Enhance Enforcement

- Develop Department of Labor-wide enforcement plan; complete implementation strategy by the end of fiscal year 1994

- Review Occupational Safety and Health Administration (OSHA) activities with a view towards reform legislation and implementation of and reforms in fiscal year 1994

- Reassess OSHA inspection practices with a goal towards increasing OSHA inspections and penalties collected by 5%

- Implement OSHA's Regulatory Prioritization System. Promulgate three health and six safety standards in fiscal year 1994

- Issue one new health and two new safety standards in the Mine Safety and Health Administration

- Increase civil penalties assessed for mine safety and health violations

- Increase by 5% the proportion of investigations targeted to low wage industries (such as garment, agricultural and custodial services) and child labor violations

- Increase compliance reviews of employers with a history of deficiencies

C. Provide Benefit Security

- Work with the Congress to pass Pension Benefit Guaranty Corporation (PBGC) reform legislation

- Begin preparation for automated processing of Employee Retirement Income Security Act (ERISA) Form 5500 and complete preliminary planning in conjunction with the Internal Revenue Service and PBGC

- Encourage private investments that aid the American economy by distributing discussion guides and research results on high performance workplace practices to pension fund investors

- Participate in the implementation of health care reform and the resolution of ERISA issues in the health care area

4. Reinventing the Department of Labor to Help Create First, New, Better Jobs

A. Customer Service

- Complete customer survey action plans for all major programs by May 31, 1994

- Institute surveys of dislocated worker customer satisfaction and act on results by the end of fiscal year 1994

- Reduce backlogs in selected case processing systems by at least 25% without reducing quality

- Reduce pending exemptions and requests for interpretation under ERISA by 20%

B. Reinvention/Savings

- Save $5 million in Federal Employees' Compensation Act (FECA) benefits in fiscal year 1994 through the existing Periodic Roll Management project, and save an additional $4 million in FECA benefits in fiscal year 1994 through the expansion of the project, contingent on funding.

- Work towards accomplishing Department-wide personnel system reform

- Work towards accomplishing Department-wide procurement system reform

- Reduce internal reports by 33% and current internal regulations by 50%

- Reduce Advisory Committees and Independent Boards by one third

- Accomplish 90% of approved reinvention initiatives such as automated time and attendance procedures, paperwork reduction, authority delegations, etc. to support front line Department of Labor employees

- Accomplish all of the above while achieving staff reduction and savings goals in fiscal year 1994 as directed by the Presidential Memorandum dated September 11, 1993

C. Better Information

- Begin Consumer Price Index (CPI) Revision

- Plan Economics Statistics Initiative in fiscal year 1994

- Continue the Department's leadership role in improving the quality and accuracy of financial management information (including removal of qualifications from audited financial statements for fiscal year 1994) and in the effort to expand the use of program performance measures; volunteer to serve as a pilot agency under the Government Performance and Results Act of 1993

- Expand the Women's Bureau's Clearinghouse service to provide answers about workers' rights directly to working women

- Prepare first State of the American Workforce Report

D. Increasing Ethnic and Gender Diversity in the Department of Labor

- Increase Hispanic representation at all levels

- Increase representation of women and minorities at GS/GM 13 and above

- Increase representation of people with disabilities

E. Make the Department of Labor a High Performance Workplace

- Make the Department of Labor an acknowledged "Reinvention Model"

- Increase training for all Department of Labor employees - to 1.5% of compensation costs; conduct reinvention training for all employees

- Provide each Department of Labor agency in the field with standard computer linkage to the Department's administrative systems

Section Four: Administration

1. Subsequent Agreements by the Secretary with Assistant Secretaries

The goals and priorities enumerated above will form the basis and focus of subsequent agreements between the Secretary, the Assistant Secretaries, the Commissioner of Labor Statistics and other agency heads.

2. Measurement and Monitoring of Performance

To measure progress against the above objectives, the Secretary is committed to the accomplishment of specific measurable results. Specific measures for Fiscal Year 1994 are described in the text of this agreement and will be elaborated in subsequent agreements within the Department.

To maintain focus and a sense of urgency and to have a real impact on performance, there will be periodic reviews of progress, discussion of difficulties encountered and agreement on appropriate actions. These will be held between the President and/or his designees and Department officials and, with greater frequency, within the Department. Any specific reporting requirements will be developed jointly with the Department.

3. Miscellaneous

This Agreement is intended only to improve the internal management of the Executive Branch and is not intended to and does not create any right, benefit, trust or responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

4. Term of Agreement

This agreement will remain in effect until modified. It is expected that it will be updated at least annually to reflect significant changes in budget, policy, personnel or other factors that may effect the accomplishment of objectives.

This agreement represents our joint commitment to a Department of Labor that works better and costs less and fulfills our sacred trust to the American people.

Robert Reich
Secretary of Labor

William J. Clinton
President of the United States

Performance Agreement

between

The President of the United States

William Jefferson Clinton

And

The Secretary of Housing and Urban Development

Henry G. Cisneros

I. Introduction

The American people deserve a government that works better and costs less. The departments and agencies of the federal government hold vital keys to improving performance and to restoring the faith of the American people in their government. Many changes will need to take place for this broad goal to be realized. The purpose of performance agreements with senior officials is to establish clarity and consensus about the priorities for departmental management. They are intended to improve the management of the Executive Branch and are not intended to and do not create any legally enforceable rights. From these agreements should flow the program and management priorities of the departments. These agreements represent a beginning, a basis for continuous improvement as we reinvent our government to meet the needs and expectations of the American people.

II. The Department of Housing and Urban Development

Section One: Purpose

This agreement reflects the major objectives developed by Secretary Henry G. Cisneros for the Department of Housing and Urban Development (HUD) to achieve over the next three fiscal years as well as specific performance measures to be accomplished in Fiscal Year 1994. It also describes areas of specific support the Administration intends to provide to support the accomplishment of these objectives.

Section Two: Relationship Between Community Empowerment Principles and Departmental Mission

For several months, a sub-cabinet community empowerment working group has been refining the core principles through which the community work of key domestic Cabinet departments might be unified and coordinated. This effort, chaired by the Vice President, articulated the following Community Empowerment Principles:

- A Commitment to Community.
- A Commitment to Support Families.
- A Commitment to Economic Lift.
- A Commitment to Reciprocity and to Balancing Individual Rights with Responsibilities.
- A Commitment to Reduce Separations by Race and Income in American Life.

To implement these Principles, employees of HUD have adopted the following statement as their Mission:

"To help people create communities of opportunity"

Section Three: Declaration of Objectives by the Secretary

To accomplish this Mission as guided by these Principles, the Secretary undertakes to accomplish the following at the Department of Housing and Urban Development:

Assist Homeless Persons and Families

Prevent homelessness, reduce the length of stay in emergency shelters and help more homeless persons and families progress to permanent housing through local HUD-assisted comprehensive homeless systems.

Reduce the Number of Distressed Public Housing Units

Reduce the number of severely distressed public housing units through project management reforms, combined with redevelopment and/or replacement of units with low-density, small-scale, carefully designed developments and housing choices throughout communities. The above will be complemented by an effort to increase the availability of housing vouchers and certificates, thereby broadening the replacement housing and locational choices of resident families.

Develop Affordable Housing and Make Homeownership A Reality for More Americans

Reform the Federal Housing Administration so that it once again becomes a positive force for developing affordable housing; reestablish Federal Housing Administration's role as a principal means by which HUD significantly increases homeownership opportunities for families; and expand state/local and public/private partnerships to further homeownership and affordable housing opportunities.

Reduce Racial Barriers

Substantially reduce racial barriers to residential mobility and enhance the ability of minorities to choose where they live, through a combination of vigorous enforcement of federal fair housing laws and creative metropolitan-wide housing and community development strategies. The goal is to reduce the spatial separation by race and income that characterizes American urban areas.

Empower Communities

Empower communities and promote community economic development by implementing the Administration's Empowerment Zones program, and work in partnership with state and local governments, community-based organizations, and the private sector to further the goals of economic development, create jobs, stimulate the economy, and appreciably improve the quality of urban life.

Create An Environment That Supports Teamwork And Organizational Excellence

Eliminate management deficiencies by developing a performance oriented planning process that anchors resources management and a systems integration strategy. The goal is to eradicate significant numbers of duplicative, inefficient and wasteful management practices, and to increase the satisfaction of HUD's customers, as measured by customer surveys.

Section Four: Subsequent Agreements by the Secretary and Assistant Secretaries

To ensure the comprehensive implementation of the above objectives throughout the Department, the Secretary will enter into intra-departmental agreements with each Assistant Secretary or the equivalent in the Department. These agreements will reflect the detailed Program and Management Priorities which the Secretary has formulated with the Assistant Secretaries. These priorities will be updated at least annually. The Assistant Secretaries will, in turn, complete agreements with their key staff members to assure broad understanding of this performance agreement and commitment to its objectives.

III. Measurement and Monitoring of Performance

To measure progress against the above objectives, the Secretary is committed to accomplishing specific measurable results. Specific measures for Fiscal Year 1994 are described in Annex A.

To maintain focus and a sense of urgency and to have a real impact on performance, there will be periodic reviews of progress, discussion of difficulties encountered and agreement on appropriate actions. These will be between the President and/or his designees and Departmental officials and, with greater frequency, within the Department. Any specific reporting requirements will be developed jointly with the Department.

IV. Administration Support

In order to accomplish the above described objectives and measures during Fiscal Year 1994, the Administration's objective is to provide the Department of Housing and Urban Development with the specific support described below.

- On January 17, 1994, the President signed Executive Order Number 12892 establishing the President's Fair Housing Council and directing that all departments and agencies work together to reinvent the manner in which their housing and community development programs affirmatively further fair housing.

- Expedited review by the Office of Management and Budget of all actions pertaining to the accomplishment of the objectives contained in this performance agreement.

- Flexibility in regard to position classification and pay from the Office of Personnel Management.

V. Miscellaneous

This Agreement is intended only to improve the internal management of the Executive Branch and is not intended to and does not create any right, benefit, trust or responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

VI. Revisions

It is expected that this agreement will be revised at least annually to reflect significant changes in budget, policy, personnel, customer needs or other factors that may affect the accomplishment of objectives.

This agreement represents our joint commitment to a Department of Housing and Urban Development that works better and costs less and fulfills our sacred trust to the American people.

Henry Cisneros

Henry G. Cisneros
Secretary of Housing and Urban Development

William J. Clinton

William J. Clinton
President of the United States

Annex: Performance Measures, Fiscal Year 1994

During Fiscal Year (FY) 1994, performance will be measured by the successful accomplishment of the following specific measures:

1. Assist Homeless Persons and Families

Output Measures:

- For the first time, 100 percent of all FY 1994 Supportive Housing projects will incorporate a comprehensive approach to homelessness providing all necessary services through a single program and service delivery mechanism.

- The Department will develop partnerships with innovative cities that significantly increase the number of persons served within each city by a continuum-of-care approach. Intended to foster independent living, the continuum-of-care approach will include 1) outreach and assessment, 2) transitional housing combined with permanent housing, and 3) supportive services to individuals and families who may require them. The first continuum-of-care partnership will be implemented in the District of Columbia through the D.C./HUD Homeless Initiative by June 1, 1994, and pledges to increase by 2,050 persons the number receiving comprehensive transitional or permanent housing. By September 30, 1994, at least three other demonstration sites incorporating the continuum-of-care approach will have been selected and have become operational.

- HUD will initiate the plan and development for use of a military base to provide a comprehensive housing and community development program including transitional and permanent housing for homeless individuals.

- HUD will increase the number of projects awarded annually that do not separate families at entry but, instead, provide family support and counselling as needed.

Outcome Measures:

- In FY 1994, HUD will increase by 20 percent the number of projects awarded that link to permanent housing homeless persons living on the streets and being served in shelters and transitional housing.

- In FY 1994, HUD homeless programs will serve 30 percent more individuals through the continuum of care approach.

2. Reduce the Number of Distressed Public Housing Units

Output Measures:

- By the end of FY 1994, HUD will fund 35 projects (8 planning and 27 implementation) as part of the Urban Revitalization Demonstration to redevelop and replace severely distressed public housing projects.

- HUD will complete site visits and execute grant agreements with these 35 developments and the public housing authority or non-profit lead agencies during FY 1994. These grants will involve 16,102 units of housing; 12,538 for implementation.

- During FY 1994, HUD will begin to measure the performance of implementation grantees that have executed contracts for specific tasks, (i.e. the number that have begun design work, commenced relocation, or finalized demolition decisions. By the end of FY 1994, $100 million of funds appropriated for the Urban Revitalization Demonstration will be under contract. For two-thirds of the implementation grantees HUD funded in FY 1993, support services and management improvement activities integral to the revitalization process will be under development; demolition permits from HUD will have been received and the temporary relocation of residents begun; and, rehabilitation activities will be underway. HUD will also establish performance goals for the remaining 14 implementation grantees.

- By the end of FY 1994, HUD will provide baseline data and indicators for each severely distressed housing development selected for an implementation grant. These indicators will include: income measures; crime rates; data on management (including vacancies and rent collections); and measures of physical deterioration. Other indicators may include measures of community/neighborhood satisfaction.

- To accelerate the public housing modernization pipeline by the end of FY 1994, HUD will implement a new system to distribute modernization funds within 60 days of appropriations to replace the current system which takes as long as 18 months; and implement a new data reporting system enabling the timely tracking of pipeline obligations among public housing authorities with the greatest backlogs.

Outcome Measures:

- By June 30, 1996, HUD will achieve measurable improvements in distressed public housing developments from the baseline indicators in the following areas: vacancy rates and rent collections; and physical and structural conditions.

- By September 30, 1994, HUD will develop and publish explicit outcome measures of the improved quality of life of those individuals and families that have come from distressed public housing and have been dispersed to lower-density developments or who have used voucher or certificate assistance to move from public housing.

- By June 30, 1996, HUD will achieve measurable improvements in the safety of families living in distressed properties in the following areas: crime rates, reduced vandalism costs, and increased resident satisfaction.

- By the end of FY 1994, HUD will reduce the unobligated and unexpended balances of FY 1992 modernization funds to 30 percent and 55 percent, respectively, of all FY 1992 funds reserved.

3. Develop Affordable Housing and Make Homeownership A Reality for More Americans

Output Measures:

- Through enhanced program efficiencies and without relaxing underwriting standards, HUD will respond to existing market demands for its single family products by insuring 10 percent more single family loans in FY 1994 than in the previous year (from a total of 936,897 to 1,030,400 loans.) This assumes no drastic increase in interest rates or unexpected changes in economic conditions.

- HUD will carry out all of its designated regulatory actions with respect to Fannie Mae and Freddie Mac, including issuing regulations by the end of FY 1994 that contain aggressive low-income homeownership and central-city/underserved-borrower targets.

- HUD will develop workout strategies for 1200 financially troubled and potentially troubled multi-family projects.

- Contingent upon passage of HUD's proposed legislation and approval of the President's FY 1995 budget request, HUD will dispose of 90 multifamily properties in its inventory by the end of FY 1994.

- Through enhanced program efficiencies, HUD will respond to existing market demand for multifamily insurance across product lines by completing initial endorsements for 678 insured projects by the end of FY 1994.

Outcome Measures:

- In partnership with Fannie Mae, Freddie Mac and other private financial institutions, HUD will test new forms of risk sharing by entering into reinsurance agreements that cover the financing of 15,000 units of affordable multifamily housing by the end of FY 1994.

- HUD will enter into risk-sharing partnerships with state and local housing finance agencies for the financing of 30,000 units of affordable multifamily housing by the end of FY 1995.

- HUD will expand its single-family disposition sales incentive program from 2 to 21 field offices by March 1994 resulting in sales of 2500 properties to local governments and nonprofits by the end of FY 1995, thus increasing opportunities for affordable homeownership.

- Through the creation of seven technical and outreach working groups that include representatives of developers, lenders, advocates and local government, HUD will reduce regulations, streamline programs, and create a customer-driven environment.

- Assuming the enactment of the President's FY 1995 budget, HUD will greatly increase its existing housing counseling program resources devoted to the provision of pre-purchase counseling to low- and moderate-income first-time homebuyers.

- By the end of FY 1994, HUD will process and reach decision on 90 percent of all requests for assistance from homeowners delinquent on their mortgage within 90 days of receipt of the request.

- Contingent on acquisitions, interest rates and the economy, HUD will sell from its inventory over 68,000 single-family properties resulting in a substantial increase in the availability of decent safe housing for homeownership and improved quality of life in communities.

4. Reduce Racial Barriers

Output Measures:

- By the end of FY 1994, HUD will define lending discrimination prohibited by the Fair Housing Act, by promulgating regulations following public hearings. By the end of FY 1994, take the steps necessary to establish by the end of FY 1995 a definition of property insurance discrimination prohibited by the FHA, which will be promulgated by regulations following public hearings.

- HUD will streamline Fair Housing complaint processing to increase timeliness and improve outcomes.

- HUD will increase outreach and education about Fair Housing rights and opportunities to redress grievances, which will result in a 5 percent increase in case volume processed by HUD and its substantially equivalent State and local agencies by the end of FY 1994, and an additional 10 percent increase by the end of FY 1995.

- HUD will develop and implement a joint mortgage lending investigation strategy jointly with the Department of Justice, and hold quarterly meetings with the Department of Justice, the Office of the Comptroller of the Currency and other federal financial regulatory agencies to develop uniform policies for enforcement which prohibit mortgage lending discrimination.

- By the end of FY 1994, through the Fair Housing Initiatives Program, HUD will design and select a contractor for a national mortgage lending testing project in areas of the country with high mortgage rejection rates for Blacks and Latinos.

- Utilizing the Fair Housing Initiatives Program, HUD will fund the creation of new full-service fair housing enforcement organizations in those areas of the country which are currently unserved or underserved and/or where no state or local substantially equivalent law is in effect and no HUD office is present.

Outcome Measures:

- By the end of FY 1995, contingent upon enactment of the President's budget for HUD's enhanced mobility programs, there will be an increase of no fewer than 50,000 in the number of portable rental subsidies which minority families can use in low poverty or non-racially impacted areas.

- By the end of FY 1994, no fewer than 75 banks and mortgage companies in at least 5 metropolitan areas will sign agreements with HUD to serve as industry leaders in their communities by adopting "best practices" that will be jointly developed by HUD and the lending community. By the end of FY 1995, these institutions will have increased by 5 percent over FY 1993 the number of loans they make to minority borrowers and the number of loans they make to persons below 80 percent of median income.

- By the end of FY 1994, HUD will initiate a partnership with the Department of Justice to investigate mortgage companies supervised exclusively by HUD, which are selected for investigation based on analysis of Home Mortgage Disclosure Act data, complaints and other information .

- By the end of FY 1994, HUD will create no fewer than 12 full-service fair housing enforcement organizations in currently unserved and underserved areas of the country. These full-service fair housing enforcement organizations will augment the Department's fair housing enforcement efforts and will have the capability to perform a broad range of investigative activities including complaint intake counselling and testing; conduct complaint resolution; make complaint referrals to appropriate federal, state or local fair housing enforcement agencies, or to private attorneys; and perform fair housing education and outreach to the communities they serve.

5. Empower Communities

Output Measures:

- Beginning in FY 1994, HUD will implement an intensive Section 3 technical assistance effort to expand economic opportunities for low-income residents in 30 communities receiving housing and community development assistance. Section 3 of the Housing and Urban Development Act of 1968 requires that training, jobs and contract opportunities generated by HUD assistance for housing and community development be directed to the greatest possible extent to project area residents. This technical assistance effort will be provided to state and local governments, public and Indian housing agencies, private developers and their contractors, and will be taken in partnership with the Department of Labor and other federal departments.

- Beginning in FY 1994, HUD will have set in place regulations and guidelines for creating 65 urban enterprise communities and six urban empowerment zones. It will also designate these zones when communities have completed their strategic plans. In the plans, communities will set forth concrete and actionable objectives with regard to human, economic and physical development. HUD will work with the communities to ensure that they reach the goals set forth in their strategic plans.

- HUD will continue to work with communities throughout the United States to put in place a new planning, application and reporting system for four Community Planning and Development (CPD) formula grant programs. This process will contain a strong community involvement provision, with the goal of empowering residents and community organizations to play a decision-making role in formulating plans and priorities to improve their communities using CPD formula programs.

Outcome Measures:

- The commitment rate of the FY 1992 Home Investment Partnership Program (HOME) will increase from seven percent to 50 percent by June 1994, providing 10,000 new housing units.

- HUD will leverage $80 million for community development corporations that carry out the following activities: enhance the ability of community-based organizations to undertake housing and community development activities and promote employment of low-income individuals.

- Through streamlining current regulations that impede the use of Community Development Block Grant (CDBG) monies for economic development, HUD is working to increase the facility with which cities can generate new jobs in urban centers and to help cities to retain the existing employment base. By the end of FY 1995, contingent on the enactment of the President's FY 1995 budget, the use of

CDBG and other community development programs for job creation and job retention will increase by 50 percent from FY 1993 levels.

6. Create an Environment That Supports Teamwork and Organizational Excellence

Output Measures:

- A work plan for implementing a new organizational structure that will eliminate one layer of review and approval and put decision making closer to the customers has been developed and met its target deadline of October 31,1993.

- Consultations have taken place with HUD employees, constituent groups, customers and partners in order to identify statutory and regulatory impediments to the efficient and effective implementation of HUD's programs and these consultations occurred by their target deadline of October 31,1993.

- The improvements to HUD's regulatory process announced by the Deputy Secretary on October 7, 1993 -- most notably the use of a "Top 25" list of priority rules and program office assumption of drafting responsibility of lower priority rules -- will increase the number of regulations and Notices of Funds Availability (NOFAs) published by about ten percent, from approximately 200 to approximately 220, with about 30 of the rule publications being top priority rules.

- The reforms of the rule clearance process announced by the Deputy Secretary on October 7, 1993 -- including limiting nonconcurrences to substantive policy and legal objections, enforcing clearance comment deadlines, using "Drop-Dead" clearance meetings, and swift resolution of disagreements by the Deputy Secretary -- will reduce the post-clearance period for priority rules by up to 50 percent, from four-six weeks to two-three weeks.

- Develop a field structure that makes the local office the focal point for community outreach and program delivery. This will be done by eliminating unnecessary layers of regional review and by direct delegation of program and administrative authority to the local field office. The plan for implementing this new field structure was announced December 1, 1993.

- By January 31, 1994, HUD will establish a HUD Training Academy to improve the delivery of training to HUD employees and to provide training to HUD intermediaries as an important investment in human capital.

- By January 31, 1994, HUD will execute a Debt Collection Performance Agreement with the Office of Management and Budget that commits the Department to a specific level of performance regarding collections.

- By February 1, 1994, the Inspector General will prepare a plan recommending a Departmental strategy to prevent and detect fraud and abuse in high-risk programs and operations, thus assuring that HUD beneficiaries are being provided safe housing, laws are enforced, and violators of HUD programs dealt with quickly through available criminal, civil and administrative processes. This plan will be coordinated with the Department of Justice (DEA and FBI) and communicated to U.S. Attorneys.

- By March 31, 1994, HUD will complete a preliminary redesign for a coherent, results-oriented resource management process anchored in HUD priorities and annual plans.

- By March 31, 1994, HUD will improve its internal control process and integrate that process into an overall management plan for the Department.

Outcome Measures:

- By October 1, 1993, HUD implemented a new administrative accounting system throughout the Department that met the target deadline.

- By March 31, 1994, HUD will implement or have in process the majority of the recommendations from the Workplace Conditions Report issued in August 1993.

- By June 30, 1994, HUD will incorporate the redesigned process of resource management into FY 1995 planning and FY 1996 budget formulation activities.

- By September 30, 1994, there will be a 50 percent increase in the number of hours devoted to the training of HUD employees and intermediaries.

- By September 30, 1994, the first phase of Departmental streamlining under the Presidential Memorandum of September 11, 1993, will be complete including reducing staff levels and increasing the span of control.

- HUD will make significant one-year improvements in the conduct of internal control activity that will be documented in the Secretary's December 1994 Report on Management Controls.

- By December 1994, HUD will take significant steps to ameliorate a majority of the legitimate impediments identified by HUD customers and referenced in A Compendium of Customer-Perceived Statutory and Regulatory Impediments to HUD's Programs.

- By December 1994, there will be an increase in customer satisfaction with the Department and its programs, as measured by customer surveys.

- By December 31, 1994, HUD will have commenced a dozen joint initiatives underway focusing on such activities as violent crime in public and assisted housing, public housing administration (procurement, bribery, embezzlement, etc.) and equity skimming by owners of insured multifamily projects.

- By December 31, 1994, the Department will have met the targets specified in the Debt Collection Performance Agreement that will result in a significantly higher level of debt collection.

7. Miscellaneous

The Performance measures set forth herein are intended only to improve the internal management of the Executive Branch and are not intended to and do not create any right, benefit, trust or responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

Performance Agreement

between

The President of the United States

William Jefferson Clinton

and

The Secretary of Veterans Affairs

Jesse Brown

Introduction

The American people deserve a government that works better and costs less. The departments and agencies of the Federal government hold vital keys to improving performance and to restoring the faith of the American people in their government. Many changes will need to take place for this broad goal to be realized. The purpose of performance agreements with senior officials is to establish clarity and consensus about the priorities for departmental management. Performance agreements are intended to improve the management of the Executive Branch and are not intended to and do not create any legally enforceable rights.

The Administration has identified national health care reform, Federal deficit reduction, downsizing of active duty forces, and reinvention of government as domestic priorities. Changes resulting from these initiatives, as well as changing veteran demographics, will affect the Department of Veterans Affairs (VA) dramatically. Our success in responding to these changes will have a significant effect on the benefits and services provided to veterans and their families.

VA today stands at the threshold of a period that will guide us into the challenges of the 21st century. Across the entire spectrum of VA activity, we are actively changing old patterns and routines to meet a new definition of Government service. Yet the Department has a rich tradition to uphold. We must and will ensure that our policies, our people, and our programs remain focused on their fundamental purpose: to fulfill the American public's sacred debt of gratitude to those who nobly served this Nation in the Armed Forces from World War I to Somalia -- our veterans.

This agreement reflects the desire of the President and the Secretary to improve services to our Nation's veterans and their families. To accomplish these goals the Department will undertake to accomplish the following:

Satisfy Our Customers: Our Nation's Veterans

VA's mission is the most service-oriented of all Cabinet departments. Our customers include 27 million veterans and their families. Services and benefits are provided through a nationwide network of 173 medical centers, 357 outpatient, community, and outreach clinics; 130 nursing home care units; 39 domiciliaries; 58 veterans benefits regional offices; and 114 national cemeteries. We will establish customer service standards ensuring that VA service equals the best in business. Our goal is "Putting Veterans First."

Become An Employer Of Choice

Solving many of our Nation's most critical problems will require Federal employees and managers to respond creatively. In order to do so, we will ensure a work environment free of discrimination with employees well trained and empowered to act more independently to accomplish VA's mission.

Introduce Major Service Improvements

We are committed to a thoughtful, strategic approach to examining and changing the way VA does its business in serving the Nation's veterans. We will improve the timeliness and quality of our service through reinventing and reengineering our delivery processes. We will maintain a comprehensive medical care system for veterans second to none. We will streamline organization structures, procedures and regulations, and take advantage of information management in the delivery of services. We will establish benchmarks to measure outcomes and compare our performance with other Federal and private sector organizations to ensure that VA services are truly efficient and effective.

Measurement Of Performance

VA will develop specific actions to accomplish the objectives described above. Actions to be taken in Fiscal Year 1994 are contained in the Annex. Internal performance monitoring for these actions will be accomplished through VA's Strategic Management Process. In addition, periodic external reviews of progress will be held between the President and/or his designees and the Secretary and other VA officials. Any specific reporting requirements will be developed jointly with the Department.

Revisions

It is expected that this agreement will be revised at least annually to reflect significant changes in budget, policy, personnel, customer needs or other factors that may affect the accomplishment of objectives. This Agreement is intended only to improve the internal management of the Executive Branch and is not intended to and does not create any right, benefit, trust or responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

This agreement reflects our joint commitment to a Department of Veterans Affairs that implements common-sense approaches to fulfilling our sacred trust to the Nation's veterans and the American people.

Jesse Brown
Secretary
of Veterans Affairs

William J. Clinton
President
of the United States

Annex: Performance Measures for Fiscal Year 1994

ANNEX: PERFORMANCE MEASURES FOR FISCAL YEAR 1994

Performance will be ensured by the successful accomplishment of the following specific measures that are controlled and tracked in VA's Strategic Management Process.

1. SATISFY OUR CUSTOMERS: OUR NATION'S VETERANS

A. "Putting Veterans First" is our goal. We will identify their changing needs by directly involving our clients and treat veterans and their family members as valued customers.

1) Establish customer-based standards of service through the use of current concepts in obtaining customer input aimed at improving quality and reducing costs and waiting times by:

- conducting focus groups of users of veterans benefits and services, veterans service organizations, inpatients, outpatients, and long-term patients;
- completing the fourth National Survey of Veterans; and
- completing a survey of users of veterans benefits and service programs.

2) Establish a customer feedback system that includes opportunities for complaints and that is responsive to customer concerns by:

- implementing a national inpatient questionnaire for recently discharged patients (adding outpatients and long-term care patients in Fiscal Year 1995); and
- continuing to use veterans service complaints, veterans assistance inquiries, Congressional, and veterans service organization inquiries at facility and national levels as one means of identifying problem areas.

B. Institute specific methods of communicating with veterans, veterans service organizations and other interested groups regarding planned and ongoing activities of the Department.

1) Establish a Select Panel on Productivity Improvement for the Board of Veterans' Appeals with participants from veterans organizations to identify ways in which the average processing time on veterans' appeals can be decreased.

2) Improve service to homeless veterans by using a Secretary's Working Group on Homelessness and participating in the Interagency Council on Homelessness.

2. BECOME AN EMPLOYER OF CHOICE:

A. Create a work environment free of discrimination and harassment that recognizes the value of diversity and offers employees the opportunity to reach their full potential.

1) Provide a core four-hour training program for all managers and employees in managing and recognizing diversity.

B. Empower employees to act more independently and ensure that they have the tools and training to work effectively.

1) Form a Partnership Council with unions.

2) Reinvest savings, realized through streamlining, in a comprehensive program of training and development focusing on continuous improvement and customer service.

3) Reduce internal directives by 10 percent in Fiscal Year 1994 (50 percent by the end of Fiscal Year 1996) and use the VA's Reinvention Laboratories to identify overly restrictive personnel, procurement, budgetary, and programmatic regulations.

4) Complete a survey of employees to provide a basis for improving the quality of work life and service to veterans.

5) Delegate personnel classification and staffing to Under Secretaries, Assistant Secretaries, and field facilities.

6) Train employees in total quality management and continue support for quality improvement efforts.

C. Foster an environment where innovative thinking will thrive and be rewarded through leadership training and incentive award recognition.

1) Complete a Department-wide study to assess leadership and management competencies.

2) Provide an incentive award system that rewards innovation and creativity.

3. INTRODUCE MAJOR SERVICE IMPROVEMENTS:

A. Streamline organization structures, procedures and regulations and take advantage of information management and other new technologies to improve management and the delivery of services to customers.

1) Support Government-wide and Departmental efforts to reinvent VA and implement National Performance Review recommendations by:

- participating in the Department of Defense/VA study of disability compensation and retirement;
- expanding the Medical Care Cost Recovery to include identification, billing, and collection services for all categories of Veterans Health Administration receivables;
- proposing legislation to establish a meaningful and effective Medical Care Cost Recovery gain sharing program that will provide an incentive to VA medical centers to increase collections from third-party insurers, thus benefiting both the Treasury and the medical centers;
- closing VA centralized supply depots and implementing commercial distribution directly to VA facilities; and
- increasing use of electronic purchases and payments and use of electronic funds transfers and direct deposits for beneficiary payments and employee salaries.

2) Accelerate automation of patient clinical records and give medical providers more rapid access to clinical information in order to improve service to veterans by:

- implementing automated exchange of patient data between 135 medical centers;
- implementing the Discharge Summary at 50 medical centers, by which health care providers have on-line access to a snapshot of the patient's inpatient episode, including planned follow-up activities; and
- initially implementing the Decision Support System and training staff on its use at 12 VA medical centers (two pilots and ten additional sites), providing linkages between clinical and financial data bases allowing assessment of the cost and quality of care by patient, provider, specialty, service, and medical center.

B. Establish timeliness and quality improvement goals for the benefits claims adjudication process.

1) In partnership with the Department of Defense, implement customer service initiatives that will improve services to veterans, while maintaining costs and improving efficiency by:

- transferring all separating service members' medical records directly to VA; and
- continuing Transition Assistance programs with the Department of Defense.

2) Improve benefit claims processing through enhanced technology applications including integrated claims status information and reports, and customer-friendly letter writing by installing the first stage of modernization equipment in 90 percent of VA regional offices.

C. Maintain a comprehensive medical care system for veterans that meets clearly defined requirements.

1) Emphasize managed care as VA's preferred delivery mode, shift delivery of care toward non-institutional types of care, and implement a preventive medicine focus.

2) Investigate new and innovative ways to improve service to minority and female veterans.

3) Identify means for assessing VA's position in the market place by developing strategies for target markets, profiles of competitors' products and primary and secondary market research.

4) After passage of the Health Security Act, adjust this performance agreement as necessary.

D. Emphasize continuous improvement of medical care processes and outcomes.

1) Emphasize the use of explicit review standards in comparing VA care to competing private sector care by increasing from 96 to 97 percent compliance with national explicit review standards for management and treatment of certain diagnoses in comparison with standards set by board certified private physicians.

2) Initiate development of baseline rates for admission and mortality for diseases such as Chronic Obstructive Pulmonary Disease.

3) Begin the development of a plan/model for integrating cost and quality data into a meaningful management tool.

4) Identify specific national quality indicators based on current data and develop a plan to collect and disseminate the information nationally.

E. Improve service to veterans and their families in National Cemeteries by developing and maintaining automated systems.

1) Complete the analysis necessary for new program design and modernization of processing applications for headstones, markers and Presidential Memorial Certificates.

2) Initiate automated processing of records of interment and capture 80 percent of information on burial location by the end of Fiscal Year 1994.

Performance Agreement

between

The President of the United States

William Jefferson Clinton

and

The Administrator of the General Services Administration

Roger Johnson

I. Introduction

The American people deserve a government that works better and costs less. The departments and agencies of the federal government hold vital keys to improving performance and to restoring the faith of the American people in their government. Many changes will need to take place for this broad goal to be realized. The purpose of performance agreements with senior officials is to establish clarity and consensus about the priorities for departmental management. They are intended to improve the management of the Executive Branch and are not intended to and do not create any legally enforceable rights. From these agreements should flow the program and management priorities of the departments. These agreements represent a beginning, a basis for continuous improvement as we reinvent our government to meet the needs and expectations of the American people.

II. The General Services Administration

This Agreement reflects the program priorities developed by the Administrator for the General Services Administration (GSA) as a result of the National Performance Review and GSA's drive to reinvent the way it does business. It is an agreement to accept the challenge of becoming more efficient and less costly to the American taxpayer. It provides a framework for decisive action in a time that requires more than marginal change.

The agreement reflects multi-year objectives, as well as specific performance measures to be accomplished in Fiscal Year 1994. It also describes the specific support the Administration intends to provide to support the accomplishment of these objectives.

The Administrator undertakes to accomplish the following at the General Services Administration:

REINVENT GSA

GSA will become a non-mandatory source of supplies and services and seek to be the provider of choice for customer agencies. Through increasing competition, GSA will demonstrate innovation and commitment to excellence in order to best serve its customers. To further its effectiveness and competitive position, GSA will separate government-wide policy and oversight functions from service delivery. GSA will maximize the effective use and value of Federal real property through the development of a government-wide property asset management function. GSA will develop procurement plans and practices that significantly reduce the cost of product, the cost of procurement and increase the effective utilization of commercial information products and services.

In some instances, GSA will delegate authorities to its customer agencies.

Concurrent with its delegation of such authority to other agencies, GSA will assure that appropriate skills, objectives, measurements and controls are in place that are appropriate for that level of delegation.

SATISFY CUSTOMERS

GSA will be a preferred business partner by customers and the vendor community. GSA will be easier to do business with and empower agencies to accomplish their missions more effectively. GSA will provide one face to its customers and be a source of one-stop shopping. GSA will continue to reinvent and seek innovative ways to improve customer service.

BECOME AN EMPLOYER OF CHOICE

GSA will be an employer of choice. GSA will develop programs to build and maintain a quality workforce that values diversity and offers career development opportunities and retraining as the agency "right sizes." GSA will empower line managers and push decision-making to the point of service delivery by flattening the current organizational structures.

BENCHMARK PROGRESS

GSA will establish performance standards to measure outcomes (as well as inputs and outputs). GSA will compare results against other Federal and private sector organizations and previous performance. GSA will reengineer as many of its functions as possible to be the best in its class. GSA will leverage the costs of doing business government-wide to reduce the costs for customer agencies and to provide substantial savings for the taxpayer.

III. **Measurement of Performance**

To measure progress against the above objectives, the Administrator is committed to the accomplishment of specific measurable results. Those specific measures for Fiscal Year 1994 are described in the Annex.

To maintain focus and a sense of urgency and to have a real impact on performance, there will be periodic reviews of progress, discussion of difficulties encountered and appropriate actions taken. Reviews of progress will be held between the President and/or his designees and GSA officials, and, with greater frequency, within the Agency. Any specific reporting requirements will be developed jointly with GSA.

IV. Administration Support

In order to assist in the accomplishment of the above described objectives and measures during Fiscal Year 1994, the Administration's objective is to provide GSA with the specific support described below within all applicable laws:

- Flexibility to manage personnel employment levels while adhering to agency-level constraints imposed by Administration policy.

- Flexibility to operate more like a business by pilot testing a capital budget that accounts for capital investments, operating expenses and outlays as discrete elements of a unified budget. Budget decisions will reflect sound management to ensure no bias against long term investment in fixed assets.

- Flexibility to operate in the context of Executive Branch policy but without unnecessary external program interventions for projects or operations and with strong Administration support to efforts to resist or eliminate Congressional earmarking.

V. Term of Agreement

This agreement will remain in effect until modified. It is expected that it will be updated at least annually to reflect significant changes in budget, policy, personnel or other factors that may effect the accomplishment of objectives.

This Agreement is intended only to improve the internal management of the Executive Branch and is not intended to and does not create any right, benefit, trust or responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

This agreement reflects our joint commitment to a General Services Administration that works better and costs less and fulfills our sacred trust to the American people.

Roger Johnson Administrator General Services Administration	William J. Clinton William J. Clinton President of the United States

Annex: Performance Measures, Fiscal Year 1994

Annex: Performance Measures, Fiscal Year 1994

During Fiscal Year 1994, GSA's performance will be measured by the successful accomplishment of the following specific measures:

1) Put procurement performance measures for commercial information technology products and services in place for GSA and each agency that is delegated procurement authority.

First measure in place by:	3/1/94
Measures in place for all agencies:	9/1/94

2) Reduce procurement cycle to less than eight weeks for all but major volume negotiated purchases. This includes commercially available commodities such as standard software packages, personal computers, copiers and furniture.

50% implementation:	12/30/94
100% implementation:	12/30/95

3) Reduce procurement cycle times to less than six months for major negotiated volume purchases.

50% implementation:	12/30/94
100% implementation:	12/30/95

4) Present real estate plans and programs to Congress that are in the best long term interests of government institutions and the American taxpayer and are consistent with the President's budget. GSA will demonstrate significant long term cost savings when compared with current practice.

First long term regional plans:	3/1/94
Complete by:	12/30/94

5) Change binding procurement rules to guiding principles; increase procurement authority of customer agencies through delegations; expand electronic ordering systems; and ensure the most cost effective ordering and timely methods of supply distribution.

6) Establish agency account executives to provide a "seamless" organization which presents one face to the customer.

First account executives:	12/30/93
Complete by:	6/30/94

7) Establish reimbursable centers of expertise for several of GSA's operations. If customer agencies desire, GSA will provide them with the information that they need so that they can conduct business GSA has performed for them in the past.

Centers identified by 3/1/94

8) Establish a high level inter-agency forum to receive customer input, develop strategy for new initiatives and ensure client satisfaction. Conduct customer satisfaction surveys at all levels of GSA's operation.

In place by: 3/1/94

Fully functional by: 12/30/94

9) Delegate significant authority to GSA regions to serve GSA's government customers better, provide first hand examples of effective government on a local level, and help restore the confidence of the American people that government can be customer-oriented and cost-effective.

Complete by: 6/1/94

10) Achieve a 95% approval rating by GSA's customers by 12/95.

11) Develop strategic and tactical plans that incorporate employee input and their vision of a quality workplace. Provide the resources for training to give employees the tools necessary to operate effectively in a reinvented GSA. Ensure that the principles of quality management are intrinsic to reinvention efforts and the business process reengineering of GSA. Conduct routine internal surveys to determine employee satisfaction. Improve supervisor:employee ratio from current ratio of approximately 1:6. The ultimate objective is a ratio of 1:12 by 1999.

Complete by: 12/95

12) Develop performance measures that focus on outcomes and are consistent with the Government Performance and Results Act of 1993. Reengineer organizational processes with employee and customer input and through reinvention laboratories. Provide benchmark data to determine best-in-class. Identify business areas where cost savings can be realized and attain these savings through negotiations with the private sector. Develop and introduce the use of a set of key result measurements for the agency.

Introduced in regions by: 6/1/94

Introduced throughout GSA by: 12/30/94

Performance Agreement

between

The President of the United States

William Jefferson Clinton

and

The Administrator of the Small Business Administration

Erskine B. Bowles

"*Today's* SBA Means Business"

"*TODAY'S* SBA MEANS BUSINESS"

I. Introduction

The American people deserve a government that works better and costs less. The departments and agencies of the federal government hold vital keys to improving performance and to restoring the faith of the American people in their government. Many changes will need to take place for this broad goal to be realized. The purpose of performance agreements is to establish clarity and consensus about the priorities for departmental and agency management. They are intended to improve the management of the Executive Branch and are not intended to and do not create any legally enforceable rights. From these agreements should flow the program and management priorities of the departments and agencies. These agreements represent a beginning, a basis for continuous improvement as we reinvent our government to meet the needs and expectations of the American people.

II. The Small Business Administration

Providing quality customer service to the small business community is a proper mandate for the U.S. Small Business Administration. Aiding, counseling, assisting, and protecting small businesses is the SBA mission and my primary objective. Reflecting my business background, I am a results-oriented manager who wants to be held accountable. We at the SBA offer this agreement as a framework for measuring our success.

At the core of our culture is business; the classic examples of American ingenuity are often products of small businesses. The small business sector employs almost 60 percent of the private work force, contributes 54 percent of all sales in the country, and is responsible for 50 percent of private sector products. Virtually all of the nation's new jobs between 1988 and 1990 were contributed by small businesses. In 1993, 26 of the 100 fastest growing U.S. firms were small businesses, ten of which received SBA-backed venture capital. Small business is critical to our economic recovery, to building America's future, and to helping the United States compete in today's global marketplace. We are committed to making the SBA the champion of small business, nurturing the pioneering spirit which is so central to our tradition, so critical to our dream. Our vision for the SBA revolves around two words: OUTREACH and MANAGEMENT.

OUTREACH: We are determined to reach out to small businesses in an unprecedented way to listen to their needs, reporting these needs back to the President and suggesting policy initiatives. We will work to see that small business has a place at the economic table and we will continue to function as the President's "eyes and ears" regarding small business interests. As part of our promise to improve the SBA's outreach, we will work to free up capital and will increase the small business community's access to credit. We will specifically expand our management, technical and financial assistance to those small businesses most in need of our support, including minority and women-owned enterprises, rural and inner city businesses and high technology and export-oriented firms.

MANAGEMENT: For the foreseeable future, the SBA will have to meet escalating demands with fewer resources. To do so, we intend to be more efficient and effective, while emphasizing quality in our service delivery. We recognize the need to change our organizational culture and the way we do business. Our management goal will be to create a more entrepreneurial, customer-driven and efficient SBA. We will focus our scarce resources on those small businesses that have the greatest potential for job creation and maintenance, streamline our structure and processes, eliminate duplication, fraud and waste, and reinstill a sense of *quality* customer-service. We will work hard to restore a sense of pride among our people and to build in our organization a "can do" attitude based on mutual respect that puts people first, serves our customers and empowers our employees.

III. Policy Goals and Performance Measures

We are committed to the President's four policy goals for the SBA and wish to be held accountable for implementing them.

FREE UP CAPITAL FOR INVESTMENT IN SMALL BUSINESSES, WORK TO END THE CREDIT CRUNCH AND CREATE JOBS

To measure our performance, look at the SBA's contribution to:

- Businesses created, maintained and protected;
- Private investment stimulated, jobs created and tax revenues generated;
- Private capital increased and leveraged more effectively;
- Expanded credit for niche markets and businesses with greatest potential; and
- New and creative credit instruments developed.

ELIMINATE UNNECESSARY PAPERWORK AND REGULATIONS THAT INHIBIT THE GROWTH AND PRODUCTIVITY OF SMALL BUSINESSES

To measure what we do, look to see whether the SBA has:

- Reengineered, streamlined or eliminated its forms, processes and procedures;
- Monitored and enforced the Regulatory Flexbility Act and Paperwork Reduction Act as they impact small businesses;
- Proposed a list of reinvented government regulations to be eliminated;
- Reduced credit documentation requirements for loans; and
- Streamlined procurement regulations and improved access to government contracting opportunities.

REINVIGORATE THE SBA TO CONSTRUCT A LEAN, HIGHLY-MOTIVATED ORGANIZATION FOCUSED ON THE NEEDS OF SMALL BUSINESSES

To measure our progress, assess whether the SBA has:

- Restructured itself to become more effective, efficient and customer-driven;

- Instituted performance measurement and management for results;
- Improved communications and created a shared vision;
- Applied modern information technology; and
- Improved financial management and expanded training, creating teamwork, an empowered "can-do" attitude, and accountable and productive employees.

BE THE "EYES AND EARS" OF THE PRESIDENT FOR SMALL BUSINESSES

To measure our success, determine if we have initiated:

- Town meetings with customers across America with reports to the President;
- Broader use of working task forces, customer surveys and focus groups to obtain customer feedback; and
- Policy suggestions to the National Economic Council from small businesses.

IV. Terms of Agreement

This agreement outlines four policy goals and supporting strategic objectives that we as an Agency are pledged to accomplish during my tenure as the SBA Administrator and provides specific performance measures for FY 1994 (Annex). This agreement will serve as the framework for the SBA's participation as a performance pilot agency under the Government Performance and Results Act of 1993, the platform for our strategic and performance planning, and the basis for measuring results and discussing progress with the President. Any specific reporting requirements will be developed jointly with the Agency.

This agreement is intended only to improve the internal management of the Executive Branch and is not intended to and does not create any right, benefit, trust or responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

In sum, this agreement reflects our joint commitment to a Small Business Administration that works better, costs less, and honors our sacred trust to the American people. Unless and until modified, it will guide our efforts at the Small Business Administration.

Submitted by:

ERSKINE B. BOWLES
Administrator
Small Business Administration

Approved and Agreed:

William J. Clinton

WILLIAM J. CLINTON
President of the United States

Annex: Strategic Objectives and Program and Management Priorities

Annex

STRATEGIC OBJECTIVES AND PROGRAM AND MANAGEMENT PRIORITIES

To accomplish the mission entrusted to the Small Business Administration by the President, we have established ten strategic objectives, which support the four principal policy goals discussed above in this performance agreement. Accomplishing each objective will fulfill our broad mandate to:

- o Expand and improve our outreach to the small business community, and
- o Improve the overall management of the Small Business Administration by becoming more customer-driven in the effective and efficient delivery of program services.

1. OUTREACH OBJECTIVE: FREE UP CAPITAL FOR INVESTMENT IN SMALL BUSINESSES, WORK TO END THE CREDIT CRUNCH AND CREATE JOBS

A. Expand the 7(a) General Business Loan Guaranty Program by:

(1) Increasing credit availability from $6.4 billion in FY 1993 to $7.0 billion in FY 1994 and, contingent upon passage of the President's budget, $9.0 billion in 1995.

(2) Improving and expanding the loan servicing capability at our Fresno, California Center, to include additional regions; and

(3) Creating a new loan processing center in the Southwest to provide better customer service.

B. Contingent upon passage of the President's FY 1995 budget, create a new loan program for veterans by October 1, 1994, which leverages funds allocated for Vietnam-era and disabled veterans; and provide a Veteran Loan Guaranty Program of $800 million (up from $15 million) for all military veterans.

C. Utilize the Microloan program and the Women's Demonstration Project to increase lending and counselling to currently under-served populations. The SBA would function as a resource partner with the Departments of Labor and Health and Human Services in the Administration's effort to transform the welfare system into a transitional support program that promotes work and responsibility.

D. Focus limited capital resources more wisely on those small businesses that need it the most (e.g. minority and women-owned, rural and inner city companies, veteran-owned firms) and those that have the greatest potential to create and maintain jobs and make the United States more competitive in the global market place.

(1) Work with district directors to develop a more focused approach to lending.

(2) Develop a pilot project in Chicago to focus more loans on qualified women-owned businesses. By March 1994, complete a pre-qualification application process to improve our outreach to women-owned businesses and by June 1994, expand the program to five additional cities (Columbus, OH; Albuquerque, NM; Helena, MT; New Orleans, LA; and Charlotte, NC).

(3) Increase capital availability to those industries that are growing and creating jobs. Contingent upon issuance of implementing regulations, create as many as 50 additional Small Business Investment Companies in FY 1994 and an additional 100 to 150 over the next two to three years, and focus general business lending on those sectors that are creating and maintaining jobs.

E. Completely revise the working capital loan program with input from the private sector, recognizing that many companies need more than term loans to be successful. Line SBA personnel will be educated in new financial assistance tools and two pilot efforts will be merged into a national program by March 15, 1994.

F. Contingent upon issuance of implementing regulations, create a new Small Business Investment Company (SBIC) security to provide incentives to SBICs to make long-term equity investments and leverage more private capital in order to meet the goals of growth, expansion and modernization of small businesses. The new instrument, a participating security, will give the government a share of the profits from successful investments financed with federal funds and should be implemented by October 1994.

G. Significantly reduce documentation requirements related to lending. Reduce the SBA's application form to a minimum, analyzing by February 1994 the success of the pilot project in Region 6 (Texas), which reduces the form to a one-page document. Initiate a Loan Express pilot with several lenders by May 1994, authorizing them to use their own forms. Establish an electronic loan approval pilot process with selected lenders and institute a revised application package that eliminates unnecessary paperwork by June 1994, to include encouraging character loans and pooling loans of a similar type and size.

2. **OUTREACH OBJECTIVE: MINORITY ENTERPRISE DEVELOPMENT -- EXPAND OPPORTUNITIES IN POORER RURAL COMMUNITIES AND INNER CITIES**

A. Identify up to 12 Empowerment Zone (EZ) One-Stop-Capital-Shops (OSCSs) in 12 different locations to provide $3 billion in capital for small and minority businesses in these economically-distressed locations. During January-March 1994, present technical seminars on the OSCSs in eight or more locations and coordinate with the Department of Housing and Urban Development, the National Economic Council and other interested parties to implement the Empowerment Zone initiative.

B. Improve the existing Minority Enterprise Development program. Streamline support by: processing applications more efficiently, eliminating all past due Controlled Correspondence; reducing reporting; using automation more effectively; delegating contract award functions to federal agencies; and establishing small disadvantaged set-aside programs in civilian agencies similar to the program established for the Department of Defense.

C. Redesign and expand the Minority Enterprise Development program to be a comprehensive business development assistance effort that utilizes all Agency programs to provide technical and financial assistance to minority-owned firms, enabling them to compete in the mainstream of the economy.

3. **OUTREACH OBJECTIVE: EXPAND EXPORT OPPORTUNITIES FOR SMALL BUSINESSES**

A. Expand our trade assistance by establishing four Export Assistance Centers in 1994 and 10 additional centers in 1995 in partnership with the Department of Commerce and the Export-Import Bank. These centers will provide "one-stop-shopping" assistance for businesses interested in international trade opportunities.

B. Revise our Export Revolving Line of Credit and coordinate with the Export-Import Bank the harmonizing of programs of the two agencies by September 30, 1994, thereby reducing the paperwork and confusion to the public over the two programs.

4. MANAGEMENT AND OUTREACH OBJECTIVE: PROVIDE BETTER CUSTOMER SERVICE

A. By June 1994, reassign up to 300 positions from headquarters and regional offices to district offices where our small business customers live.

B. As stated above, by June 1994, create a loan processing center and expand loan servicing capability to offer better customer service and more effective and efficient operations.

C. Working in partnership with the lending community, establish five additional Business Information Centers (BICs) in 1994 around the country. Work with district directors to establish BICs in each of the One-Stop-Capital Shops as part of the Empowerment Zone initiative.

D. Initiate comprehensive training programs in the following areas: marketing and outreach for economic development specialists; customer service for the SBA staff nationwide; counseling for staff who accept voluntary field assignments; labor-management cooperation as called for by Executive Order 12871, "Labor-Management Partnerships," and as agreed to by the SBA and the American Federation of Government Employees; workforce diversity to promote an inclusive work environment; and mainstream skills enhancement (e.g., supervisory, procurement, and commercial credit analysis competencies).

E. Improve quality and expand focused training, such as the women's network for business training, demonstration sites and transition assistance seminars for veterans.

F. Reinvent, simplify and promote better interagency cooperation in making and servicing disaster loans. By October 1994, revise the Standard Operating Procedures, simplify the closing process, develop a model program for emergency working capital business financing and reduce duplication in the handling of disasters.

G. Pursuant to Executive Order 12862, "Setting Customer Service Standards," the SBA will report on its customer surveys to the President and develop a plan to provide "customer service equal to the best in business." This plan will entail surveying the needs and level of satisfaction of SBA's customers with existing services, benchmarking our service performance against the best in business, eliciting ideas from line agency personnel, and creating a means of receiving and addressing customer complaints and dissatisfaction.

5. **OUTREACH OBJECTIVE: ELIMINATE UNNECESSARY PAPERWORK AND REGULATIONS THAT INHIBIT THE GROWTH AND PRODUCTIVITY OF SMALL BUSINESSES**

A. Working with the Office of Information and Regulatory Affairs, other agencies and trade associations, develop a plan for meaningful regulatory reform.

B. Use the SBA Office of Advocacy to ensure compliance with the Regulatory Flexibility Act and Paperwork Reduction Acts to minimize the negative impact of regulations on small business.

C. Hold industry-specific workshops on regulations and develop a plan and make recommendations to the President, to agency heads and to the Congress on reducing regulations and considering small business owners more in the regulatory process.

6. **OUTREACH OBJECTIVE: INCREASE INVESTMENT IN TECHNOLOGY**

A. Expand the Small Business Innovation and Research Program into an Office of Technology to develop a coordinated approach to focus limited federal resources on technology-oriented manufacturing firms.

B. Work with the Department of Commerce and the Congress to create specialized investment companies to provide much needed long-term capital to companies that concentrate on developing and commercializing technology.

C. Co-locate Small Business Development Centers in the Department of Commerce's Manufacturing Technology Centers to increase quality assistance for technology-oriented small businesses.

D. Work with the Environmental Protection Agency in implementing the Environmental Technology Initiative to advance environmental protection through hi-tech innovation, thereby making funds available to help small businesses develop, market and adopt environmental technologies.

7. **OUTREACH OBJECTIVE: BE THE EYES AND EARS OF THE PRESIDENT FOR SMALL BUSINESSES**

A. Meet regularly with lenders, trade associations, and small business owners to understand the kind and quality of services they want and their level of satisfaction with existing services.

B. Publish background material for the White House Conference on small business and status reports on implementation of conference recommendations, to include a cost accounting of the effectiveness of the conference and a subsequent polling of participant attitudes.

C. Publish the annual President's Report on the State of Small Business and the monthly Small Business Advocate.

D. Initiate and fund ten research studies to evaluate the impact of legislative and regulatory policy on small businesses.

E. Maintain a small business client database to gather statistics on job growth, form of ownership, and characteristics of business owners on a state-by-state basis. This information can form the basis for policy and program decisions affecting small business.

8. MANAGEMENT OBJECTIVE: REINVIGORATE THE SBA TO CONSTRUCT A LEAN, HIGHLY-MOTIVATED, EFFECTIVE AND EFFICIENT ORGANIZATION FOCUSED ON THE NEEDS OF SMALL BUSINESSES

A. Improve information resource management and expand use of modern technology to reinvent the SBA by:

(1) Developing and initiating a Five Year Information Strategy Plan to move to an "enterprise computing environment," which offers shared, relational databases; broad electronic inter-connectivity through Local Area Networks and Wide Area Networks; and a framework for improving the SBA's principal functions.

(2) Beginning the replacement of the telecommunications network to improve the flow of data throughout the SBA and initiating the installation of a Wide Area Network.

(3) Replacing those Office of Information Resource Management contracts that are not cost effective with permanent SBA personnel (within existing FTE and dollar constraints).

(4) Beginning the migration from a mainframe computer platform to a client-server, open systems architecture, with single source data entry and relational database technology, and distributed processing.

B. Improve financial management by:

(1) Beginning to develop an integrated core accounting module and beginning the conversion from a mainframe platform to client-server architecture.

(2) Expanding training to manage more effectively, particularly in cost accounting and financial management.

(3) Expanding financial assessments of high risk programs.

(4) Improving asset management by more cost-effective accounting.

C. Improve managerial accountability and create an organization that is driven by results by:

(1) Developing an Agency performance agreement with the President.

(2) Participating as a performance pilot agency to implement the Government Performance and Results Act of 1993 earlier than required by statute.

(3) Instituting a strategic management process that integrates program planning, resource allocation and program oversight into the daily operational management in the Agency.

D. Develop a positive, ongoing, proactive message for the SBA, which is reflected in marketing materials, speeches, presentations and press releases. Through better public communications, the SBA will be able to inform and educate various segments of the public about SBA programs and anticipate and manage crises more effectively. Based on the concept of a "full service" SBA, we will integrate the concept of customer service into our operations, selling the value of the various programs for the customer's business success.

9. MANAGEMENT AND OUTREACH OBJECTIVE: INCREASE FEDERAL PROCUREMENT OPPORTUNITIES FOR SMALL BUSINESSES IN GENERAL AND WOMEN AND MINORITY-OWNED BUSINESSES IN PARTICULAR

A. Work with the Office of Federal Procurement Policy to ensure that Federal Government Procurement reform efforts do not have a disproportionately negative effect on small businesses.

B. Improve the Federal Government's procurement performance for small businesses in general and for minority and women-owned businesses, in particular, by disseminating information about opportunities in both the private and public sectors for women and minority entrepreneurs; improving the SBA role as advocate to identify opportunities for minority and women-owned businesses; and eliminating local buy restrictions.

10. MANAGEMENT OBJECTIVE: REDUCE FRAUD IN THE SBA, IMPROVE MANAGEMENT, AND FOCUS OFFICE OF INSPECTOR GENERAL (OIG) ACTIVITIES ON PROGRAM EFFICIENCY AND EFFECTIVENESS

A. Improve communications with SBA program managers through use of customer surveys and other feedback methods.

(1) Develop and issue a customer satisfaction survey by March 1, 1994 to determine how the OIG can become more effective in assisting the SBA to improve performance and reduce fraud in Agency programs.

(2) Request Agency program managers to assess the value of OIG activities (i.e., audits, inspections, investigations) at their conclusion.

(3) Include OIG personnel in Agency management reviews.

B. Focus audits and inspections on priority items of interest to the Administrator and Deputy Administrator.

(1) Solicit particular items of interest from Agency policy officials and consider Agency program priorities in formulating the OIG's annual policy guidance and audit and inspection operating plans.

C. Recommend ways to improve program management and to reduce opportunities for fraud, waste and abuse in program delivery.

(1) Look beyond compliance activities for systemic problems in program delivery identified through audits and inspections; require OIG investigators to issue "program vulnerability memoranda" to program managers as a means of formalizing their observations; and help program officials identify and develop meaningful performance measures to use in gauging effectiveness and efficiency.

D. Participate in Agency task forces working on program redesign or management improvement initiatives.

(1) Apply OIG knowledge of program delivery strengths and weaknesses as identified through various OIG oversight activities.

The Office of the Inspector General will carry out the above activities in a way that maintains the independence of the Office of the Inspector General and is fully consistent with the Inspector General Act of 1978, Pub. Law No. 95-452 as amended, 5 U.S.C. App 3.

Attendees

Cabinet Working Session
April 22-23, 1994

Attendees

The President
The Vice President
The First Lady
Mrs. Gore

Warren Christopher, Secretary of State
Lloyd Bentsen, Secretary of the Treasury
Bill Perry, Secretary of Defense
Janet Reno, Attorney General
Bruce Babbitt, Secretary of the Interior
Mike Espy, Secretary of Agriculture
Ron Brown, Secretary of Commerce
Bob Reich, Secretary of Labor
Donna Shalala, Secretary of Health and Human Services
Henry Cisneros, Secretary of Housing and Urban Development
Federico Peña, Secretary of Transportation
Hazel O'Leary, Secretary of Energy
Dick Riley, Secretary of Education
Jesse Brown, Secretary of Veterans Affairs
Mack McLarty, Chief of Staff to the President
Carol Browner, Administrator, Environmental Protection Agency
Leon Panetta, Director, Office of Managment and Budget
Laura Tyson, Chair, Council of Economic Advisors
Madeleine Albright, Ambassador to the United Nations
Mickey Kantor, United States Trade Representative
Lee Brown, Director, Office of National Drug Control Policy

Staff:

Harold Ickes, Assistant to the President & Deputy Chief of Staff
Phil Lader, Assistant to the President & Deputy Chief of Staff
Joan Baggett, Assistant to the President & Political Affairs
Pat Griffin, Assistant to the President & Director of Legislative Affairs
Marcia Hale, Assistant to the President & Director of Intergovernmental Affairs
Alexis Herman, Assistant to the President & Director of Public Liaison

Consultants:

Mandy Grunwald
Paul Begala
James Carville

Facilitators:

Jane Hopkins, Consultant to the Office of the Vice President
Carolyn Lukensmeyer, Consultant to the Office of the Chief of Staff

Graphic representation artist:

Nancy Margulies

Support staff:

Damon Hemmerdinger

Other Material

BLAIR HOUSE
THE PRESIDENT'S GUEST HOUSE
1651-1653 Pennsylvania Avenue, N.W.
Washington, D.C. 20503

The Blair House complex is the official guest house of the President of the United States of America. As both a private home for 120 years and as a public residence for 50 years, Blair House has been the site of some of the most important events in the nation's capital.

Originally built as a two storey townhouse in 1824, its first owner was Dr. Joseph Lovell, first Surgeon General of the United States. The house was purchased in 1836 by Kentuckian Francis Preston Blair who had come to Washington to establish a "pro-Administration" newspaper for President Andrew Jackson. Blair was an active member of the circle of Presidential advisors known as "The Kitchen Cabinet'. Blair published other Washington related matter including "The Congressional Globe" which survives today as "The Congressional Record", a journal of the proceedings of Congress. The Blair's country estate in Maryland, "Silver Spring" gave its name to the modern-day Washington suburb which occupies the site.

In March of 1845 Francis Preston Blair retired to "Silver Spring" and for nine years Blair House was rented out to a succession of notable Americans. The first tenant, George Bancroft, Secretary of the Navy, spent some of his time while a resident of the house in formulating the plans which led to the establishment of the United States Naval Academy.

Thomas Ewing, Secretary of the Interior, was a later renter. During his residency, 1841-45, President John Tyler, Daniel Webster, who was Secretary of State 1841-43 as well as 1850-52, Henry Clay, Secretary of State 1825-29, and more than a hundred other notable Washingtonians gathered at Blair House to witness the marriage of Ewing's daughter to William Tecumseh Sherman, who later became a general in the Union Army during The War Between The States.

In 1854 Francis Preston Blair installed gas lighting in Blair House and turned the house over to his son Montgomery Blair who was later to add two more storeys to the home. Montgomery Blair had left his position on the Supreme Court of Missouri to argue cases before the United States Supreme Court in Washington, D.C. Along with his father and his brother, Montgomery Blair became very active in the organization of a new political party, The Republican Party.

In 1861 Republican President Abraham Lincoln rewarded the political efforts of this influential family by naming Montgomery Blair Postmaster General of the United States. While serving as Postmaster General Montgomery Blair instituted Rural Free Delivery, created postal money orders, and made the Post Office financially secure. He also continued to be extremely involved in many aspects of national politics. It is said that President Lincoln often crossed Pennsylvania Avenue from the White House to confer with the Blairs in the parlor to the right of the front door.

Since the Blairs had family members and close friends in both the North and the South, it was Francis Preston Blair who, at the request of President Lincoln, tendered the command of the Union Army to Robert E. Lee. Although loyal to his country, Virginian Robert E. Lee felt that his first duty was to his native state and refused the presidential offer in order to become a general in the Army of Northern Virginia which led to his eventual selection as Commander of the Armies of the Confederate States of America.

Robert E. Lee's cousin, Samuel Phillips Lee, had married Francis Preston Blair's daughter Elizabeth in 1843 and since 1859 had lived next door to Blair House in The Lee House. Samuel Phillips Lee threw his lot in with the Union and served as an Admiral in the United States Navy during the War. Elizabeth and Samuel's son, Blair Lee, continued the family's involvement in politics by becoming a United States Senator of Maryland. Montgomery's sons became less personally involved in politics, although Presidents and leading politicans continued to attend regularly the elegant social events which have always characterized the way of life at Blair House.

In 1942 The Federal Government purchased The Blair House. The Lee House was purchased in 1943 and the houses began to be used as the President's Official Guest House. The two buildings were linked together by cutting doorways through the adjoining walls. From November 1948 through February 1952 President Truman and his family occupied the house while the White House was undergoing a major renovation. The Lee Study is known today as the Truman Study in honor of President Truman who used this room as his office.

In the late 1960's the Federal Government purchased the two closest townhouses on Jackson Place , facing Lafayette Square, to join them with the Blair House complex. The corner house had been the home of Peter Parker, the United State's first medical missionary to China. The entire four-house structure was completely refurbished in the 1980's and a new garden wing was also added at that time housing the new Primary Suite and the new Garden Room.

Because of its celebrated history, The Blair House is, after The White House, the most written about house in our country. Every visit to Blair House adds yet another page to its volume of distinction. Blair House, however, has also been a family home. Nine family engagement parties were held here, three Blair babies were born here, and the love, laughter, tears and conversations of families have echoed through the house making this building truly a "home".