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Folder Title: JGR/National Productivity and
Innovation Act of 1983 (2 of 2)
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THE WHITE HOUSE

WASHINGTON

November 28, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *JGR*

SUBJECT: Draft Letter Regarding National Productivity and Innovation Act of 1983

John Svahn has asked you to determine if a letter he and Faith Whittlesey propose to send to the Presidents or Executive Directors of 25 listed business, manufacturing, and electronics associations complies with anti-lobbying restrictions. The letter briefly discusses the main features of the Administration's proposed National Productivity and Innovation Act of 1983, which the President submitted to Congress on September 12.

Two anti-lobbying restrictions are pertinent: the criminal prohibitions in 18 U.S.C. § 1913 (the "Anti-Lobbying Act") and the "publicity or propaganda" appropriations rider, the current version of which is found at sections 601 and 609(a) of the Treasury, Postal Service, and Executive Office of the President appropriations bill, S. 1646 and H.R. 4139. The proposed letter does not appear to present any problems under either of these provisions, as they have been interpreted by the Justice Department's Office of Legal Counsel (OLC).

OLC has interpreted both provisions as limited to over-reaching by the Executive Branch in the form of an explicit or implicit campaign to urge members of the public to contact Congressional representatives. See Memorandum to Robert J. Lipshutz from Assistant Attorney General Harmon (November 29, 1977); Memorandum Opinion for the Solicitor, Department of the Interior from Assistant Attorney General Harmon (July 18, 1978). The proposed letter simply conveys the substance of the Administration's proposal; it does not request any action by the recipients. Your memorandum of February 23, 1981 for the White House Staff on this subject states that "it is not improper for an Executive Branch employee to provide legitimate informational background and material to the public in support of an Administration policy effort." That memorandum notes further that Executive Branch officials may, in dealing with independent outside organizations, "make suggestions, respond to or raise particular inquiries, or discuss the merits of various legislative strategies and related matters, so long as the

Executive Branch officials do not suggest organization of grass roots pressure." The proposed letter falls within this area of permitted activity.

I have prepared a memorandum to Svahn for your signature, noting that we have reviewed his proposed letter and have no objection to it.

Attachment

THE WHITE HOUSE

WASHINGTON

November 28, 1983

MEMORANDUM FOR JOHN A. SVAHN
ASSISTANT TO THE PRESIDENT
FOR POLICY DEVELOPMENT

FROM: FRED F. FIELDING Orig. signed by FFF
COUNSEL TO THE PRESIDENT

SUBJECT: Draft Letter Regarding National
Productivity and Innovation Act of 1983

You have asked this office to review a letter on the National Productivity and Innovation Act of 1983 that you and Faith Whittlesey propose to send to the Presidents or Executive Directors of 25 listed business, manufacturing, or electronics associations. We have reviewed the proposed letter and determined that it does not run afoul of the applicable anti-lobbying provisions.

There are two pertinent provisions: the criminal prohibitions of 18 U.S.C. § 1913 (the "Anti-Lobbying Act") and the so-called "publicity or propaganda" appropriations rider. The proposed letter simply conveys information on Administration policies and proposals to groups interested in those policies and proposals, and does not urge the groups or their members to contact Congressional representatives. The letter accordingly does not violate the anti-lobbying provisions, as they have been interpreted by the Department of Justice and this office.

Thank you for raising this question with us.

FFF:JGR:aea 11/28/83
cc: FFFielding/JGRoberts/Subj/Chron

THE WHITE HOUSE

WASHINGTON

November 28, 1983

MEMORANDUM FOR JOHN A. SVAHN
ASSISTANT TO THE PRESIDENT
FOR POLICY DEVELOPMENT

FROM: FRED F. FIELDING
COUNSEL TO THE PRESIDENT

SUBJECT: Draft Letter Regarding National
Productivity and Innovation Act of 1983

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Thank you for raising this question with us.

FFF:JGR:aea 11/28/83
cc: FFFielding/JGRoberts/Subj/Chron

B6003WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

- ☐ O - OUTGOING
☐ H - INTERNAL
☐ I - INCOMING
 Date Correspondence
 Received (YY/MM/DD) 1 / 1

Name of Correspondent: John A. Svahn
☐ MI Mail Report User Codes: (A) _____ (B) _____ (C) _____
Subject: Draft letter re: National Productivity
and Innovation Act of 1983

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>WHOLL</u>	ORIGINATOR	<u>83/11/23</u>			<u>1 / 1</u>
	Referral Note:				
<u>WHATIB</u>	<u>D</u>	<u>83/11/23</u>			<u>5 83/11/30</u>
	Referral Note:				
		<u>1 / 1</u>			<u>1 / 1</u>
	Referral Note:				
		<u>1 / 1</u>			<u>1 / 1</u>
	Referral Note:				
		<u>1 / 1</u>			<u>1 / 1</u>
	Referral Note:				

ACTION CODES:

- A - Appropriate Action
 C - Comment/Recommendation
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 to be used as Enclosure

- I - Info Copy Only/No Action Necessary
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FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
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Comments:

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 Send all routing updates to Central Reference (Room 75, OEOP).
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OFFICE OF POLICY DEVELOPMENT

MEMORANDUM

DATE: 11/21/83 ACTION/CONCURRENCE/COMMENT DUE BY: 11/30/83

SUBJECT: DRAFT LETTER FROM JACK SVAHN RE: NATIONAL PRODUCTIVITY AND
INNOVATION ACT OF 1983

ACTION FYI

ACTION FYI

✓ SVAHN	☐	☒
PORTER	☐	☒
ANDERSON	☐	☐
BLED SOE	☐	☐
BRADLEY	☐	☐
CHAO	☐	☐
COY	☐	☐
GALEBACH	☐	☐
GUNN	☐	☐
HOBSON	☐	☐
B. LEONARD	☐	☐
LI	☐	☐
McALLISTER	☐	☐
McCAFFREY	☐	☐
SIMMONS	☐	☐
SMITH	☐	☐
SWEET	☐	☐
UHLMANN	☐	☐
WALTERS	☐	☐
ADMINISTRATION/ JOHNSTON	☐	☐

DRUG POLICY

☐ ☐

TURNER

☐ ☐

D. LEONARD

☐ ☐

WILLIAMS

☐ ☐

OFFICE OF POLICY INFORMATION

HOPKINS

☐ ☐

PROPERTY REVIEW BOARD

☐ ☐

OTHER

✓ Fred Fielding

☒ ☐☐ ☐☐ ☐☐ ☐☐ ☐☐ ☐☐ ☐☐ ☐☐ ☐☐ ☐

RESPONSE TO:

NOV 22 1983

✗ John A. Svahn
 Assistant to the President
 for Policy Development

☐ Roger B. Porter
 Director
 Office of Policy Development

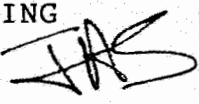
THE WHITE HOUSE

WASHINGTON

November 18, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM:

JOHN A. SVAHN 

SUBJECT:

Innovation Legislation Letter

1700934u

The President submitted to Congress on September 12th the National Productivity and Innovation Act of 1983. Faith Whittlesey and I would like to send the attached letter to various business associations describing in general the provisions of the legislation and its likely effect on innovation.

I would appreciate it very much if you could provide me advice if the attached letter complies with anti-lobbying restrictions and if not, how we can change the letter so that it does.

Attachments

THE WHITE HOUSE

WASHINGTON

November 18, 1983

Dear <name>:

We are writing in reference to proposed legislation that the President submitted on September 12th to Congress, H.R. 3878 and S. 1841, the National Productivity and Innovation Act of 1983. The proposed bill would amend the antitrust, patent, and copyright laws to encourage the creation and development of new technology. Such technology is essential to enhance the competitiveness and productivity of American industry.

There has been much concern expressed in recent years about the perception that the nation's antitrust laws deter procompetitive joint research and development (R&D) ventures. The Administration's proposed legislation would ensure that the antitrust laws do not inhibit the formation of such joint R&D ventures.

However, if we are to assure that our laws stimulate investment in new technologies, it is not enough merely to correct the adverse deterrent effect the antitrust laws may have on procompetitive joint R&D. We must also assure that the antitrust and intellectual property laws encourage those who create new technologies to bring their technology to the market in the most efficient manner. Our proposed legislation would encourage the procompetitive licensing of intellectual property and strengthen process patents.

We strongly believe that the Administration bill would improve the competitiveness and productivity of all American companies, basic manufacturing as well as high technology industries, and small businesses as well as large businesses. If you have any questions about the proposed bill, please let us know.

Sincerely,

Faith Whittlesey
Assistant to the President
for Public Liaison

John A. Svahn
Assistant to the President
for Policy Development

<name>
<address>

Mr. Sandy Trowbridge, President
National Association of Manufacturers
1776 F Street, NW
Washington, D.C. 20006

Mr. Sam Maury, Executive Director
The Business Roundtable
1828 L Street, NW
Washington, D.C. 20036

Dr. Richard Leshner, President
Chamber of Commerce of the United States
1615 H Street, NW
Washington, D.C. 20062

Mr. Pete McClosky, President
Electronics Industry Association
2001 Eye St. N.W.
Washington, DC 20006

Mr. Vico E. Henriques, President
Computer and Business Equipment Manufacturers Association
Suite 500
311 First St., N.W.
Washington, DC 20001

Dr. Jack Albertine, President
American Business Conference
1025 Connecticut Avenue, N.W.
Suite 209
Washington, D.C. 20036

Mr. Edward Ferrey, President
American Electronics Association
Suite 1101
1612 K Street, N.W.
Washington, D.C. 20006

Mr. Bernard H. Falk, President
National Electrical Manufacturers Association
2101 L Street, N.W.
Washington, D.C. 20037

Mr. Paul G. Zurkowski, President
Information Industry Association
316 Pennsylvania Avenue, S.E.
Washington, D.C. 20003

Honorable Lew Engman, President
Pharmaceutical Manufacturers Association
1100 15th Street, N.W.
Washington, D.C. 20005

Mr. Hall Buzzell, President
Health Industry Manufacturers Association
Suite 1100
1030 15th Street, N.W.
Washington, D.C. 20005

Mr. James Cope, President
The Proprietary Association
1700 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Mr. Bob Peabody, President
American Iron and Steel Institute
1000 16th Street, N.W.
Washington, D.C. 20036

Mr. Jim Adducci, President
Motor Vehicle Manufacturers Association of the United States
Suite 300
1909 K Street, N.W.
Washington, D.C. 20006

Mr. Robert Roland, President
Chemical Manufacturers Association
2501 M Street, N.W.
Washington, D.C. 20037

Mr. James A. Gray, President
National Machine Tool Builders Association
7901 Westpark Drive
McLean, Virginia 22102

Mr. Mike McKeivitt, Washington Director
National Federation of Independent Business
600 Maryland Avenue, S.E.
Washington, D.C. 20024

Mr. William Gorog, President
Magazine Publishers Association
Suite 406
1211 Connecticut Avenue, N.W.
Washington, D.C. 20036

Mr. Joseph P. Allen, Executive Director
Intellectual Property Owners, Inc.
Suite 400
1899 L Street, N.W.
Washington, D.C. 20036

Mr. Herbert Liebenson, President
National Small Business Association
1604 K Street, N.W.
Washington, D.C. 20006

Mr. Thomas D. Hinkelman
Executive Director
Semiconductor Industry Association
20380 Town Center Lane, Suite 155
Cupertino, CA 95014

Mr. Gregory Jonnson
Vice President
Government Operations
U.S. Industry Council
1000 Connecticut Avenue, N.W.
Suite 200
Washington, D.C. 20036

Mr. B.R. Pravel
President
American Patent Law Association
2001 Jefferson Davis Highway
Arlington, VA 22202

4
Mr. Kenneth E. Payne
President
Licensing Executive Society, Inc.
c/o Finnegan, Henderson, Farabow, Garrett and Dunner
1775 K Street, N.W.
Washington, D.C. 20006

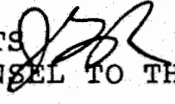
Ms. Olga Grkavac
Director
Government Relations
Association of Data Processing Service Organization
1300 North 17th Street, Suite 300
Arlington, VA 22209

THE WHITE HOUSE

WASHINGTON

July 16, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Message on
Productivity Improvement

Counsel's Office has reviewed the proposed Presidential message on productivity improvement. Consideration should be given to deleting the last sentence in the first paragraph on page 2, in light of the recent controversy surrounding proposals to freeze cost-of-living increases. At lines 10-11 of the last paragraph on page 2, "as much as possible" should be deleted. The phrase "minimized as much as possible" is grammatically redundant.

We question the desirability of the call for a joint resolution in the first paragraph on page 3 and the penultimate paragraph on page 5. We see little benefits from a purely symbolic resolution, and there is the danger that Congress would seize upon such a resolution as a vehicle for imposing unwelcome substantive restrictions or requirements on the contemplated executive productivity program. It seems particularly peculiar to request that an annual report to Congress be required, when elsewhere in the message the President applauds Congress for reducing the need for such reports.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) _____Name of Correspondent: D. Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Presidential message on Productivity
Improvement**ROUTE TO:****ACTION****DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CUHOLL</u>	ORIGINATOR	<u>85 07, 11</u>			<u>1 1</u>
<u>CUAT 18</u>	Referral Note: <u>R</u>	<u>85 07, 11</u>		<u>S</u>	<u>85 07, 16</u> <u>COB</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>
	Referral Note:	<u>1 1</u>			<u>1 1</u>

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WHITE HOUSE STAFFING MEMORANDUM**DATE:** 7/11/85 **ACTION/CONCURRENCE/COMMENT DUE BY:** c.o.b. Tues, July 16th**SUBJECT:** Presidential Message on Productivity Improvement

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☐	☒
STOCKMAN	☐	☒	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☐	☐	RYAN	☐	☒
CHEW	☐	☒	SPEAKES	☐	☒
DANIELS	☐	☐	SPRINKEL	☒	☐
FIELDING	☒	☐	SVAHN	☐	☐
FRIEDERSDORF	☒	☐	TUTTLE	☐	☐
HENKEL	☐	☐	CLERK	☐	☒
HICKEY	☐	☐		☐	☐
HICKS	☐	☐		☐	☐
KINGON	☒	☐		☐	☐

REMARKS: Please give your comments/recommendations to my office by close of business Tuesday, July 16th. Thanks.

1985 JUL 11 PM 1:48

RESPONSE:David L. Chew
Staff Secretary
Ext 2702

TO THE CONGRESS OF THE UNITED STATES:

You and I share a common objective -- to make Government more responsive and sensitive to the needs of the people. Over the past several years significant progress has been made toward that goal. My Administration has sought to:

- o Control the growth of Government by selectively limiting funding through the budget process and by controlling personnel levels;
- o Identify and prevent waste and fraud in Government spending;
- o Improve individual agency management, to further reduce costs and make better use of the funding that remains;
- o Develop Government-wide management systems that can be adapted to the needs of each agency; and
- o Improve agency delivery systems to ensure that services are efficiently delivered to the American people.

The Congress has supported our efforts by giving the Executive branch important tools to increase its productivity and efficiency. You have recognized a pressing need for reform and then acted by passing such milestone legislation as the Paperwork Reduction Act, the Congressional Reports Elimination Act, the Prompt Payment Act, the Debt Collection Act and the Deficit Reduction Act. We must now build upon this foundation by initiating a continuing program to improve Government productivity and enacting into law the tools to accomplish this.

Today, I am requesting your endorsement of a Government-wide program to improve Government productivity and your support for a legislative program to enhance our efforts to improve Government management. We must put Government on a more business-like footing. Your support of a strong productivity improvement program and management legislation is critical to accomplishing that goal. With your help we can remove impediments to greater productivity. With additional statutory tools we can improve Governmental operations, and reduce the future cost of Government.

I

The Productivity Improvement Program

To improve the efficiency with which the Federal Government delivers goods and services to the American public, a government-wide program to improve productivity must be initiated. To accomplish this, I plan to issue an Executive Order establishing such a program. To be effective, each agency will be called upon to manage its resources to assure that goods and services are delivered in the most cost effective manner. This will require every agency to carefully examine the procedures it uses to deliver those goods and services to determine where more efficient procedures can be implemented. This approach to management is standard in the private sector and our productivity improvement program will make it standard in government.

Over the years we have focused our attention on improving management systems, reducing administrative costs, eliminating waste and fraud and in selected areas of productivity improvement. Two examples point out the value of increasing our attention on productivity improvements. These examples illustrate that we can use our resources more wisely and improve benefits to the public. The lives of our Nation's senior citizens, for example, are being made easier because the Department of Health and Human Services has used advances in technology to increase the productivity of the Social Security Administration. The gains realized so far from increased automation include more timely services to beneficiaries. Senior citizens can now get immediate estimates of their Social Security benefits, and new Social Security cards are delivered in 11 days rather than six weeks. In addition, cost of living increases are now made effective three days from enactment, instead of three weeks, allowing checks to Social Security beneficiaries to reflect increased benefits more rapidly. ✓

In the Department of Housing and Urban Development, similar benefits have accrued due to improvements in productivity. An automated system has replaced a manual one in the Single Family Claims program, resulting in an estimated net cash savings of \$155 million over the next seven years. Services to beneficiaries were also significantly improved. Prior to automating this system, it was not uncommon for the agency to take six months to pay a claim to an institution. It now takes only five days. The backlog of unsettled final claims has been reduced from 17,000 to 3,000. HUD mortgagees must now submit only 11 letters and forms, down from 32.

Such examples illustrate the potential of productivity improvement efforts if each agency in the Federal Government makes this a priority. Therefore, I have established a government-wide productivity improvement program with a goal of 20% improvement by 1992. Accordingly, each government function (such as loan awards, claims processing, benefit payments, personnel operations and payroll management) will be examined to determine if more efficient approaches could be utilized. Where improvements are possible, systematic efforts will be made to implement more productive approaches. The impact of these changes over the next seven years will be cost savings, improved delivery of goods and services, and in the aggregate, the 20% improvement in the efficiency of government operations.

The importance of this effort cannot be overstated. The Federal Government now accounts for 25% of the GNP. If we pattern our productivity efforts after the most productive in the private sector, it is reasonable to expect that we could match or exceed the private sector's gains, which have recently (1983-84) climbed to about 3%. This increase exceeds the modest productivity gain of the past decade (1973-83), which has been 1.5% in the public sector and 0.9% in the private sector.

To assure the ongoing achievements of the productivity improvement program, we will rely on the creativity and ingenuity of every manager and employee in the Government. Agency goals, plans and decisions that affect employee work will be discussed with employees and their advice and assistance will be sought. Employee suggestions will be recognized and rewarded, and incentives to promote more efficient methods of delivering government goods and services will be supported. Furthermore, improved procedures will be designed and implemented so that adverse impacts on current employees will be minimized (as much as possible.) Training programs to improve leadership and technical skills will be developed. Attention will be focused on issues related to displaced workers including the importance of training and assisting in job placement both inside and outside the Government. ✓

To assure that the program reaches its full potential, I ask you to join us in establishing improved productivity in the Federal Government as a national priority. Your support, in the form of a joint resolution establishing productivity improvement as a national goal, would be significant. That resolution should require an annual report to the Congress on efforts to achieve this goal and would provide a vehicle for our continued dialogue on this important matter. Together we can provide the public with improved and more timely services at a lower cost--an objective which the Congress and the Administration equally share.

II

The Administration's Legislative Initiatives

To assure successful implementation of my Management Improvement Program, I ask you to enact twelve legislative proposals which would make it possible for the Administration to substantially improve the effectiveness of the Executive branch. We have already sent some measures to the Congress. Others will be transmitted in the days ahead. I want to stress that each of them plays an important role in improving Government's management, reducing fraud and waste or improving productivity. I am confident that you will recognize their usefulness in our joint efforts to make Government run better at less cost.

Fraud Prevention

We have been successful in our continuing efforts to ferret out fraud and waste. Your support in this important area -- in establishing additional statutory Inspectors General, for example -- has been pivotal in assuring that the taxpayers' hard-earned dollars are well spent.

To build upon our success to date, we propose to:

- o Permit agencies to use administrative (as an adjunct to judicial) proceedings to prosecute civil fraud cases when the claim in question does not exceed \$100,000. This would provide an expeditious but fair method to proceed against fraud in circumstances where judicial proceedings are not cost-effective. The Government could recover up to twice the amount of the fraudulent claim.
- o Clarify provisions in the False Claims Act that have hindered civil fraud enforcement efforts, and permit the use of Civil Investigative Demands to investigate fraud.
- o Eliminate needless litigation in connection with contract disputes claims and tighten up deadlines and enhance the Government's ability to collect monies it is owed.
- o Strengthen the Government's remedies when a contract has been awarded or a payment has been received as a result of bribery.
- o Permit Department of Justice attorneys bringing civil fraud cases to have automatic access to grand jury materials developed for related criminal prosecution.
- o Make it a crime to fraudulently use a computer owned or operated by the Government.
- o Strengthen the ability of the Government to detect fraud in Government contracts.
- o Permit the Attorney General to retain private counsel to litigate debt collection cases.
- o Standardize the Inspectors General authorities and pay levels.

Payment Integrity and Simplification

In 1984, Congress enacted legislation to require State and Federal agencies to verify income-related information in determining eligibility for benefits in programs such as Medicaid, AFDC, Food Stamps, and other programs. This was vitally needed legislation and we are in the process of implementing its provisions.

We propose to build on this legislation by expanding the information-sharing program to ensure that Federal benefit payments are made as accurately as possible. Several new sources of information would be made available, and additional programs would be authorized access to the existing information sharing program as well as to the new sources of data.

A second major aspect of this proposal would make it easier for States and the Federal Government to identify sources of legally liable health insurance coverage which should have paid for medical services to their insurees prior to payment by State and Federal Government programs. The legislation would authorize verification of Federal and State health benefits with records of employment-based health coverage.

In addition, other legislation is proposed that would require most Federal salary payments to be made by electronic transfer of funds and that would establish a six month period within which a check drawn on the Treasury must be presented for payment.

Procurement

Federal agencies spent nearly \$182 billion last year to purchase goods and supplies. Over the past year (through enactment of the Competition in Contracting Act, for example), Congress and the Administration have made significant progress in assuring that taxpayer dollars are spent on the best products at the lowest possible cost. Other changes would help us continue to make needed reforms in Federal procurement. Proposed legislation would:

- o Raise the threshold for publication of solicitations in the Commerce Business Daily from \$10,000 to \$25,000, reducing paperwork and procurement lead times; and raise the threshold on the reservation of small purchases for small businesses from \$10,000 to \$25,000.
- o Give the Office of Management and Budget authority to authorize tests of new and innovative procurement methods and techniques.
- o Permit civilian agencies to enter into multi-year contracts, thereby reducing paperwork and procurement costs.
- o Simplify the competitive procurement process by creating a procurement cycle which would reduce the time required from 262 days to 85 days.

Reorganization Authority

Since 1939, Presidents have had authority to propose plans to the Congress to reorganize the Executive branch. That authority expired in April 1981 and was renewed for only a few months at the end of last year. Its renewal would significantly enhance our ability to address management inefficiencies and to respond to changing conditions. I propose that the reorganization authority be extended until December 31, 1988.

Reductions in Regulatory and Paperwork Burdens

Reducing unnecessary paperwork and regulatory burdens has been a major goal of my Administration. Together we have achieved a number of important reforms. We should continue to look for and eliminate statutory requirements that are outdated or serve no useful purpose. I have already transmitted to you legislation that would repeal 236 requirements for Executive branch reports to the Congress that are duplicative or no longer necessary and that impose significant administrative costs. A second proposal, to be transmitted shortly, would repeal or amend approximately 60 statutory provisions that place unnecessary paperwork requirements on the public or compel regulatory activities that are either outdated or unnecessary.

III

Conclusion

Now is the time for us to focus our attention on improving the operations of Government. The budget deficit, the need to make programs more responsive to their beneficiaries, the complexity of the problems we face, and the very size of Government itself all require us to apply the best methods and procedures available to improve productivity. I ask for your support. Enactment of the various legislative proposals outlined here and "a sense of the Congress" resolution will enable us to launch our joint effort to improve Government management. ✓

Federal managers want to do a good job. Given the necessary tools and support, they will do so. It is up to us, together, to make that possible. Passage of this legislation would help give the American people the kind of Federal Government they want and deserve; one that is efficient, effective, and, above all, productive.

THE WHITE HOUSE

WASHINGTON

July 25, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Revised Message to the Congress
Regarding Productivity Improvement

Counsel's Office has reviewed the revised message to the Congress on productivity improvement, and finds no objection to it from a legal perspective. The original draft requested that Congress enact legislation requiring an annual report on productivity improvement. The revised draft states that such an annual report will be submitted to Congress "in response to" a joint resolution on productivity improvement. We continue to question the wisdom of formally committing to such an annual report, particularly when we cite the reduction in the number of such reports as a productivity improvement.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 1 1

Name of Correspondent: D. Chew

☐ MI Mail Report

User Codes: (A) (B) (C)

Subject: Reused message to the Congress re:
Productivity Improvement

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
CUHOLL	ORIGINATOR	85,07,24			1 1
	Referral Note:				
CUAT 18	B	85,07,24		S	85,07,25
	Referral Note:				
		1 1			1 1
	Referral Note:				
		1 1			1 1
	Referral Note:				
		1 1			1 1
	Referral Note:				

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet
to be used as Enclosure

I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:

A - Answered C - Completed
B - Non-Special Referral S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments:

Keep this worksheet attached to the original incoming letter.

Send all routing updates to Central Reference (Room 75, OEOB).

Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUMDATE: 7/24/85 ACTION/CONCURRENCE/COMMENT DUE BY: TOMORROW - July 25thSUBJECT: REVISED MESSAGE TO THE CONGRESS RE PRODUCTIVITY IMPROVEMENT

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☐	☐
STOCKMAN	☐	☐	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☐	☐	RYAN	☐	☐
CHEW	☐	☒	SPEAKES	☐	☐
DANIELS	☐	☐	SPRINKEL	☐	☐
FIELDING	☐	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☐	☐	TUTTLE	☐	☐
HICKEY	☐	☐		☐	☐
HICKS	☐	☐		☐	☐
KINGON	☒	☐		☐	☐

REMARKS:

The attached revised message to the Congress incorporates comments from the Senior Staff. Please let us know if you have any objection to this message being transmitted to the Congress by Thursday, July 25th. Thank you.

RESPONSE:

1985 JUL 24 AM 11:35

David L. Chew
Staff Secretary
Ext. 2702



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Received SS
JUL 24 4:11:11

JUL 24 1985

MEMORANDUM TO DAVID CHEW

FROM: Joseph Wright

SUBJECT: Presidential Message on Productivity Improvement

The attached final copy of the Presidential message on productivity improvement incorporates the changes which were submitted to you, plus some minor editorial changes.

The message is targeted for forwarding on Thursday, July 25, 1985. I would appreciate your expediting signature by the President.

Attachment

TO THE CONGRESS OF THE UNITED STATES:

You and I share a common objective -- to make Government more responsive and sensitive to the needs of the people. Over the past several years, significant progress has been made toward:

- o Controlling the growth of Government by selectively limiting funding through the budget process and by controlling personnel levels;
- o Identifying and preventing waste and fraud in Government spending;
- o Improving individual agency management, to further reduce costs and make better use of the funding that remains;
- o Developing Government-wide management systems that can be adapted to the needs of each agency; and
- o Improving agency delivery systems to ensure that services are efficiently delivered to the American people.

Throughout this effort, I have sought the advice and counsel of the private sector. The President's Private Sector Survey on Cost Control conducted systematic studies of agencies to determine more effective and efficient approaches to delivering services to the public. Thousands of recommendations were made and a large number are being implemented.

The Congress has also supported our efforts by giving the Executive branch important tools to improve efficiency, including milestone legislation such as the Paperwork Reduction Act, the Congressional Reports Elimination Act, the Prompt Payment Act, the Debt Collection Act and the Deficit Reduction Act.

Today, I am requesting your further assistance to build on this foundation of progress through your continued support of our efforts to improve Government performance. I am also asking you to pass a joint resolution establishing productivity improvement as a national goal, and to enact management legislation which is critical to further improving Governmental operations and reducing costs. Together we can enhance the Government's ability to use business-like procedures to provide the public with improved and more timely services at a lower cost -- an objective which the Congress and the Administration equally share.

I

The Productivity Improvement Program

The need for and importance of improving the efficiency with which the Federal Government delivers goods and services to the American public cannot be overstated. The Federal Government now accounts for 25% of the GNP. If we pattern our productivity efforts after the most productive in the private sector, it is reasonable to expect that we could match or exceed the private sector's gains, which have recently climbed to about 3%.

Therefore, I will issue an Executive order establishing a Government-wide program to improve productivity. Each agency will be called upon to establish specific priorities for improvement of services and for achieving a government-wide productivity goal, and will be asked to focus on results, rather than on process. This approach to management is standard in the private sector and we plan to make it standard in Government.

The President's Management Improvement Program: Reform '88 has provided a solid foundation upon which to base this productivity improvement program, as great strides have been made in establishing effective cash and credit management programs, improving agency management systems, lowering administrative costs, and reducing waste and fraud. Federal agencies have also shown that they can make real improvements in productivity if they put their minds to it. Let me give you only a couple of examples:

- o The lives of our Nation's senior citizens are being made easier because of advances in technology at the Social Security Administration resulting in more timely services to beneficiaries. They can now get immediate estimates of their Social Security benefits, and new Social Security cards are delivered in 11 days rather than six weeks. The two-year backlog of benefit recomputations has been eliminated and every beneficiary will now receive an annual benefit statement for tax purposes.
- o Services to beneficiaries were also significantly improved in the Department of Housing and Urban Development. Several years ago, it was not uncommon for the agency to take six months to pay a claim on the mortgage of a single family home. It now takes only five days. The backlog of unsettled final claims has been reduced from 17,000 to 3,000.

There are many more examples and they illustrate that we can improve this large, unwieldy Government if we try, and if each agency makes improvement a priority. Therefore, I will set a goal for a Government-wide productivity improvement of 20% by 1992 and ask that each Government function (such as loan awards, claims processing, benefit payments, personnel operations and other activities) be specifically examined to determine if more efficient approaches could be utilized. Where improvements are possible, systematic efforts will be made to implement more productive approaches. These changes over the next seven years will produce significant cost savings and improved delivery of goods and services.

To assure ongoing results from this productivity improvement program, we must rely on the creativity, ingenuity, and commitment of every manager and employee in the Government. Agency managers will be asked to seek their employees' advice and assistance on the most efficient means of achieving these goals, and employee suggestions for improved performance will be recognized and rewarded. Training programs will be designed to improve leadership and technical skills. Further, improved procedures will be designed and implemented to limit adverse impacts on current employees resulting from productivity increases. Attention will be focused on issues related to displaced workers, including the importance of retraining and assisting in job placement both inside and outside the Government.

The success of this effort will be reinforced by early enactment of the joint resolution on productivity improvement. In response to that resolution, as part of the budget we would submit an annual management report to the Congress on our efforts to achieve productivity improvements. ✓

II

The Administration's Legislative Initiatives

As I mentioned earlier, the Congress has been most helpful in passing legislation that has made management reform possible. To further assure successful implementation of our Management Improvement Program, I ask you to enact several additional legislative proposals which would make it possible for the Administration to improve substantially the effectiveness of the Executive branch. We have already sent some of these proposals to the Congress, while others will be transmitted in the days ahead. I want to stress that each of them plays an important role in improving Government's management, reducing fraud and waste, or improving productivity. I am confident that you will recognize their usefulness in our joint efforts to make Government run better at less cost.

Fraud Prevention

We have been successful in our continuing efforts to ferret out fraud and waste. Your support in this important area has been pivotal in assuring that the taxpayers' hard-earned dollars are well spent.

To build upon our success to date, we propose to:

- o Permit agencies to use administrative (as an adjunct to judicial) proceedings to prosecute civil fraud cases when the claim in question does not exceed \$100,000. This would provide an expeditious but fair method to proceed against fraud in circumstances where judicial proceedings are not cost-effective. The Government could recover up to twice the amount of the fraudulent claim.
- o Clarify provisions in the False Claims Act that have hindered civil fraud enforcement efforts, and permit the use of Civil Investigative Demands to investigate fraud.
- o Eliminate needless litigation in connection with contract disputes claims, tighten up deadlines, and enhance the Government's ability to collect monies it is owed.
- o Strengthen the Government's remedies when a contract has been awarded or a payment has been received as a result of bribery.
- o Permit Department of Justice attorneys bringing civil fraud cases to have automatic access to grand jury materials developed for related criminal prosecution.
- o Make it a crime to fraudulently use a computer owned or operated by the Government or financial institution.
- o Strengthen the ability of the Government to detect fraud in Government contracts.
- o Permit the Attorney General to retain private counsel to litigate debt collection cases.
- o Standardize the statutory Inspectors General authorities and pay levels.

Payment Integrity and Simplification

In 1984, Congress enacted legislation to require State and Federal agencies to verify income-related information in determining eligibility for benefits in programs such as Medicaid, AFDC, Food Stamps, and other programs. This was vitally needed legislation and we are in the process of implementing its provisions.

We propose to build on this legislation by expanding the information-sharing program to ensure that Federal benefit payments are made as accurately as possible. Several new sources of information would be made available, and additional programs would be authorized access to the existing information sharing program as well as to the new sources of data.

A second major aspect of this proposal would make it easier for States and the Federal Government to identify insurers that should have paid for medical services provided to their policy holders prior to payment by State and Federal Government programs. The legislation would authorize verification of Federal and State health benefits with records of employment-based health coverage.

In addition, other legislation is proposed that would allow Treasury to require most Federal salary payments to be made by electronic transfer of funds and that would establish a six-month period within which a check drawn on the Treasury must be presented for payment.

Procurement

Federal agencies spent nearly \$182 billion last year to purchase goods and supplies. Over the past year (through enactment of the Competition in Contracting Act, for example), Congress and the Administration have made significant progress in assuring that taxpayer dollars are spent on the best products at the lowest possible cost. Other changes would help us continue to make needed reforms in Federal procurement. Proposed legislation would:

- o Raise the threshold for publication of solicitations in the Commerce Business Daily from \$10,000 to \$25,000, reducing paperwork and procurement lead times; and raise the threshold on the reservation of small purchases for small businesses from \$10,000 to \$25,000.
- o Give the Office of Management and Budget authority to authorize tests of new and innovative procurement methods and techniques.
- o Permit civilian agencies to enter into multi-year contracts, thereby reducing paperwork and procurement costs.
- o Simplify the competitive procurement process, shortening the time needed to complete certain procurements from more than 250 days to less than 100.

Reorganization Authority

Since 1939, Presidents have had authority to propose plans to the Congress to reorganize the Executive branch. That authority expired in April 1981 and was renewed for only a few months at the end of last year. Its renewal would significantly enhance our ability to address management inefficiencies and to respond to changing conditions. I propose that the reorganization authority be extended until December 31, 1988.

Reductions in Regulatory and Paperwork Burdens

Reducing unnecessary paperwork and regulatory burdens has been a major goal of my Administration. Together we have achieved a number of important reforms. We should continue to look for and eliminate statutory requirements that are outdated or serve no useful purpose. I have already transmitted to you legislation that would repeal 236 requirements for Executive branch reports to the Congress that are duplicative or no longer necessary and that impose significant administrative costs. A second proposal, to be transmitted shortly, would repeal or amend approximately 60 statutory provisions that place unnecessary paperwork requirements on the public or compel regulatory activities that are either outdated or unnecessary.

III

Conclusion

Now is the time for us to focus our attention on improving the operations of Government. The budget deficit, the need to make programs more responsive to their beneficiaries, the complexity of the problems we face, and the very size of Government itself all require us to apply the best methods and procedures available to improve productivity. I ask for your support. Enactment of the various legislative proposals outlined here will enable us to continue and strengthen our joint effort to improve Government management.

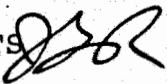
Federal managers want to do a good job. Given the necessary tools and support, they will do so. It is up to us, together, to make that possible. Passage of this legislation would help give the American people the kind of Federal Government they want and deserve; one that is efficient, effective, and, above all, productive.

THE WHITE HOUSE

WASHINGTON

July 29, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS 
SUBJECT: Productivity Improvement Program

David Chew has asked for comments by 3:00 p.m. today on the attached memorandum to the Cabinet on the proposed productivity improvement program. On two prior occasions the accompanying message to Congress was staffed to me for direct reply; it has been extensively revised. The message to Congress announces the President's intention to issue an Executive Order on productivity improvement, and calls for legislation needed to improve productivity in the management of Government.

The proposed memorandum to the Cabinet reviews the message to Congress, asks Cabinet officers to identify prospective productivity improvement initiatives in their agency, and advises them that the Executive Order will require them to designate a department "productivity chief" to help implement the program.

I have no objections.

Attachment

THE WHITE HOUSE

WASHINGTON

July 29, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: FRED F. FIELDING Orig. signed by FFF
COUNSEL TO THE PRESIDENT

SUBJECT: Productivity Improvement Program

Counsel's Office has reviewed the above-referenced memorandum to the Cabinet, and finds no objection to it from a legal perspective.

FFF:JGR:aea 7/29/85
cc: FFFielding
JGRoberts
Subj
Chron

THE WHITE HOUSE

WASHINGTON

July 29, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: FRED F. FIELDING
COUNSEL TO THE PRESIDENT

SUBJECT: Productivity Improvement Program

Counsel's Office has reviewed the above-referenced memorandum to the Cabinet, and finds no objection to it from a legal perspective.

FFF:JGR:aea 7/29/85

cc: FFFielding
JGRoberts
Subj
Chron

ID # _____

CU

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) _____ / _____ / _____

Name of Correspondent: _____

Dave Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: _____

*Productivity Improvement Program***ROUTE TO:****ACTION****DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<i>CUHOLL</i>	ORIGINATOR	<i>85107127</i>			<i>1 1</i>
	Referral Note:				
<i>CUAT18</i>	<i>D</i>	<i>85107127</i>		<i>S</i>	<i>85107129</i>
	Referral Note:				<i>3 PM</i>
		<i>1 1</i>			<i>1 1</i>
	Referral Note:				
		<i>1 1</i>			<i>1 1</i>
	Referral Note:				
		<i>1 1</i>			<i>1 1</i>
	Referral Note:				

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet
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I - Info Copy Only/No Action Necessary
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Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: _____

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Send all routing updates to Central Reference (Room 75, OEOB).

Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

WHITE HOUSE STAFFING MEMORANDUMDATE: 7/26/85 ACTION/CONCURRENCE/COMMENT DUE BY: 3:00 p.m. Monday, July 29thSUBJECT: PRODUCTIVITY IMPROVEMENT PROGRAM

(Prepared by OMB)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☐	☐
STOCKMAN	☐	☒	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☒	☐	RYAN	☐	☐
CHEW	☐	☒	SPEAKES	☐	☒
DANIELS	☐	☐	SPRINKEL	☐	☐
FIELDING	☒	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☐	☐	TUTTLE	☐	☐
HICKEY	☐	☐	CLERK	☐	☒
HICKS	☒	☐		☐	☐
KINGON	☒	☐		☐	☐

REMARKS: Attached are a draft memo to the Cabinet and a Senior Staff-cleared Message to the Congress re the Productivity Improvement Program. OMB is in the process of preparing a fact sheet which we will staff on Monday for clearance. (We don't expect to have the Executive Order mentioned in these materials for staffing until sometime in August.) Please provide any edits/comments on the draft memo to the Cabinet by 3:00 p.m. Monday, 7/29. Thank you

RESPONSE:

45 3 11 02 706 9001

David L. Chew
Staff Secretary
Ext. 2702

MEMO

~~LETTER~~ TO CABINET OFFICERS

~~Dear (Name of Cabinet Secretary):~~

Four years ago we embarked together upon an ambitious mission -- to improve management of the Federal Government, ensure wiser use of each tax dollar, and simultaneously make Government more responsive to the needs of our constituency -- the American public. Some observers of Government activities have often said it was "mission impossible," but through our progress so far, we have proved them wrong.

In the past, in practice as well as in principle, you have supported the President's Management Improvement Program: Reform '88. I appreciate your cooperation in achieving management-related budget reductions of \$___ million for your (Department/Agency) in FY 1985. These reductions are a direct result of your efforts instituting vigorous new controls on program growth, trimming administrative costs, reducing waste and fraud, and streamlining the Federal field structure. The combined effect of these and similar reforms in other agencies resulted in a Government-wide reduction of \$___ billion in FY 1985.

These achievements are substantial, and constitute a necessary first phase towards making Government work better. Now, however, it is time to begin the final phase of Reform '88: improving our delivery of goods and services to the public. To facilitate this effort, I have recently asked the Congress to support a Government-wide program to improve Federal productivity, and more specifically, to pass a legislative program to enhance our efforts to improve management.

As the enclosed copy of the Transmittal Message indicates, I am asking the Congress to pass a Joint Resolution to make productivity improvement a national goal. I have also asked the Office of Management and Budget to submit individual pieces of management legislation which address specific

problems relating to fraud prevention, payment integrity and simplification, procurement, reorganization authority, and reductions in regulatory and paperwork burdens.

In the meantime, while Congress pursues its deliberations, there is much we can be doing to lay the groundwork as we enter the beginning stages of the FY '87 budget. I would like you as a Cabinet officer to identify your key agency initiatives to improve services and productivity, and report back to me through OMB on how we can work together to accomplish them. These should be key functions your agency performs which, first, can be improved significantly, and which second, would make a real difference to the American public. In selecting your initiatives, I want you to focus on results, rather than on process. This goal-oriented approach to management improvement is standard in the private sector, and we are going to make it standard in Government.

I will shortly issue an Executive Order setting a Government-wide productivity improvement goal of 20 percent by 1992 for selected target areas. The Executive Order will also require that you and other Cabinet Members designate a key official in your agency as Productivity Chief -- responsible for developing, tracking and reporting progress on your agency's productivity improvement program.

Through demonstrated ability to institute progressive change, we have begun to reverse the public's disillusionment with the Federal Government's capability to serve them well at a reasonable price. I know you'll join me in placing a high priority on completion of the final phase of our management improvement journey -- improved delivery of public services through higher quality, improved timeliness, or lower cost. It's not "mission impossible," but rather "mission necessary."

~~Sincerely,~~

Ronald Reagan

TO THE CONGRESS OF THE UNITED STATES:

We share a common objective -- to make Government more responsive and sensitive to the needs of the people. Over the past several years, significant progress has been made toward:

- o Controlling the growth of Government by selectively limiting funding through the budget process and by controlling personnel levels;
- o Identifying and preventing waste and fraud in Government spending;
- o Improving individual agency management, to further reduce costs and make better use of the funding that remains;
- o Developing Government-wide management systems that can be adapted to the needs of each agency; and
- o Improving agency delivery systems to ensure that services are efficiently delivered to the American people.

Throughout this effort, I have sought the advice and counsel of the private sector. The President's Private Sector Survey on Cost Control conducted systematic studies of agencies to determine more effective and efficient approaches to delivering services to the public. Thousands of recommendations were made and a large number are being implemented.

The Congress has also supported our efforts by giving the Executive branch important tools to improve efficiency, including milestone legislation such as the Paperwork Reduction Act, the Congressional Reports Elimination Acts, the Prompt Payment Act, the Debt Collection Act and the Deficit Reduction Act.

Today, I am requesting your further assistance to build on this foundation of progress through your continued support of our efforts to improve Government performance. I am also asking you to pass a joint resolution establishing productivity improvement as a national goal, and to enact management legislation which is critical to further improving Governmental operations and reducing costs. Together we can enhance the Government's ability to use business-like procedures to provide the public with improved and more timely services at a lower cost -- an objective which the Congress and the Administration equally share.

I

The Productivity Improvement Program

The need for and importance of improving the efficiency with which the Federal Government delivers goods and services to the American public cannot be overstated. The Federal Government now accounts for 25% of the GNP. If we pattern our productivity efforts after the most productive in the private sector, it is reasonable to expect that we could match or exceed the private sector's gains, which have recently climbed to about 3%.

Therefore, I will issue an Executive order establishing a Government-wide program to improve productivity 20% by 1992. Each agency will be called upon to establish specific priorities for improvement of services, examine each Government function, and achieve agency-wide productivity goals. They will be asked to focus on results, rather than on process. Agencies will be asked to draw upon the creativity and ingenuity of all employees, to reward their achievements in productivity improvement, and to minimize the negative impact productivity increases may have on employees. This approach to management is standard in the private sector and we plan to make it standard in Government.

The President's Management Improvement Program: Reform '88 has provided a solid foundation upon which to base this productivity improvement program, as great strides have been made in establishing effective cash and credit management programs, improving agency management systems, lowering administrative costs, and reducing waste and fraud. And some of our Federal agencies have already shown that they can make real improvements in productivity if they put their minds to it.

The success of this effort will be reinforced by early enactment of the joint resolution on productivity improvement. In accordance with that resolution, OMB will report to me on each agency's productivity goals, and on both progress and problems in accomplishing them. On the basis of that report, our annual management report to the Congress, which is part of the budget, will also describe our efforts to achieve productivity improvements.

II

The Administration's Legislative Initiatives

The Congress has been most helpful in passing legislation that has made management reform possible. To further assure successful implementation of our Management Improvement Program, I have asked the Office of Management and Budget to transmit legislative proposals which would make it possible for the Administration to improve substantially the effectiveness of the Executive branch. They are in the areas of fraud prevention, payment integrity and simplification, procurement, reorganization authority, and reduction in regulatory and paperwork burdens. We have already sent some of these proposals to the Congress, while others will be transmitted in the days ahead. I want to stress that each of them plays an important role in improving Government's management, reducing fraud and waste, or improving productivity.

III

Conclusion

Now is the time for us to focus our attention on improving the operations of Government. The budget deficit, the need to make programs more responsive to their beneficiaries, the complexity of the problems we face, and the very size of Government itself all require us to apply the best methods and procedures available to improve productivity. Enactment of the various legislative proposals outlined here will enable us to continue and strengthen our joint effort to improve Government management.

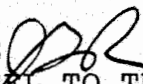
Federal managers want to do a good job. Given the necessary tools and support, they can do so. Passage of these proposals will demonstrate our commitment to increased productivity and improved management practices in the Federal Government. The American people want and deserve a Federal Government that is efficient, effective, and, above all, productive.

THE WHITE HOUSE

WASHINGTON

July 30, 1985

MEMORANDUM FOR DAVID L. CHEW
STAFF SECRETARY

FROM: JOHN G. ROBERTS 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Fact Sheet: Productivity
Improvement Program

Counsel's Office has reviewed the above-referenced fact sheet, and finds no objection to it from a legal perspective.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 1 1Name of Correspondent: D. Chew☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Fact Sheet: Productivity improvement
Program

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>Chitall</u>	ORIGINATOR	<u>85,07,29</u>			<u>1 1</u>
	Referral Note:				
<u>Chit 18</u>		<u>85,07,29</u>		<u>5</u>	<u>85,07,30</u>
	Referral Note:				<u>9am</u>
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				

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WHITE HOUSE STAFFING MEMORANDUMDATE: 7/29/85 ACTION/CONCURRENCE/COMMENT DUE BY: 9:00 a.m. July 30thSUBJECT: FACT SHEET: PRODUCTIVITY IMPROVEMENT PROGRAM

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	LACY	☐	☐
REGAN	☐	☒	McFARLANE	☐	☐
STOCKMAN	☐	☒	OGLESBY	☒	☐
BUCHANAN	☒	☐	ROLLINS	☒	☐
CHAVEZ	☒	☐	RYAN	☐	☐
CHEW	☐	☒	SPEAKES	☐	☒
DANIELS	☐	☐	SPRINKEL	☐	☐
FIELDING	☒	☐	SVAHN	☒	☐
FRIEDERSDORF	☒	☐	THOMAS	☒	☐
HENKEL	☐	☐	TUTTLE	☐	☐
HICKEY	☐	☐	<u>clerk</u>	☐	☒
HICKS	☒	☐	_____	☐	☐
KINGON	☒	☐	_____	☐	☐

REMARKS: Please give your comments/edits to my office by 9:00 a.m. Tuesday, July 30th. Thanks.

RESPONSE:

1985 JUL 29 PM 4:38

David L. Chew
Staff Secretary
Ext. 2702

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 30, 1985

THE ADMINISTRATION'S PLANNING AND PRODUCTIVITY
IMPROVEMENT PROGRAM AND RELATED MANAGEMENT LEGISLATION

In his continuing effort to improve the management of the Federal Government, the President is today transmitting a Presidential Message to the Congress in which he outlines his intention to initiate a Planning and Productivity Improvement Program and calls on Congress to pass a joint resolution establishing a 20 percent improvement in Federal Government productivity as a national goal -- doubling the current productivity increase rate from 1.5 percent to 3 percent annually. In addition, he is asking agencies and the Office of Management and Budget to submit (of) legislation which will streamline Government operations, reduce costs, and improve the delivery of services to the American public. ✓

PLANNING AND PRODUCTIVITY IMPROVEMENT PROGRAM

The President is asking Federal managers and employees to focus on improving the quality, timeliness, and efficiency of Government services -- to really make a difference in the products they provide to citizens. 1.8 million Federal employees -- almost two-thirds -- are involved in processing papers, forms, or information of some type, tasks which lend themselves to improvements in operating procedures. Since the Federal budget accounts for 25 percent of the Nation's economy, these opportunities for productivity improvement represent a substantial unmined resource in a time of Federal austerity.

By instituting this program, the Executive branch will be adopting a practice that is standard operating procedure in the private sector -- that of evaluating the way it does business and taking steps to improve its output based on that evaluation. Such a program can have a significant impact on Government operating costs, as New York City demonstrated in 1980 by making 34% of its spending reductions to achieve a balanced budget through productivity improvements.

Elements of this program include:

- o Passing a Joint Resolution establishing productivity improvement in the Federal Government as a priority and to establish a framework for continued agency productivity efforts.
- o Issuing an Executive order establishing a Government-wide planning and productivity improvement program integrated with the budget/management process and asking agencies to focus on key priority initiatives which have a direct impact upon providing services to the public.
- o Assigning responsibility to a key official in each agency.
- o Conducting a review by OPM of new employee incentive and training programs tied to productivity improvement.
- o Reporting to the Congress on the results through an annual management report as part of the budget submission.

The President has also asked OMB to establish a front-end policy planning process to be established prior to the FY 1987 budget, as well as an annual assessment process to evaluate each agency's accomplishments. Such processes are common in the private sector, but unfortunately, somewhat rare in the Federal Government.

MANAGEMENT LEGISLATION

In the past four years, Congress has passed legislation that has been extremely useful in our drive to reduce waste and fraud and improve management, but numerous additional legislative impediments have been identified which should be rectified if we are to make further improvements in the management of the U.S. Government. The draft legislation fits into 5 general categories:

- o Anti-Fraud Enforcement. Agencies' hands are still tied when it comes to reducing fraud, and they cannot deal effectively with small cases. Proposed legislation would provide for the use of administrative civil procedures in prosecuting small cases of less than \$100,000, make it a crime to fraudulently use computers owned by the Federal Government, and permit the use of private attorneys to expand debt collection capability.
- o Payment Integrity and Simplification. Legislation will be proposed to extend the provisions of the Deficit Reduction Act of 1984 to further improve the management of Federally-funded benefit programs and to reduce error rates -- a goal which both the Congress and the Administration share. Additional sources of data will be available for information-sharing and additional programs would be authorized access to the data. The cost of Federal health programs will be reduced by access to better tools to detect and enforce the liability of companies which provide insurance coverage through employers.
- o Procurement Process Improvements. Four pieces of proposed legislation would allow the Executive Branch to reduce the overly complicated and time-consuming procurement process. The time required to issue an award would be reduced over 250 days to less than 100.
- o Reductions in Regulatory and Paperwork Burdens. Two bills are proposed to continue joint Congressional/Administration efforts to reduce burdensome and unnecessary paperwork and regulatory requirements on both the public and the Government. The legislation would reduce Congressionally mandated reports by 186, and modify an additional 50 reports. In addition, 37 unnecessary reporting requirements would be eliminated.
- o Reorganization Authority. To provide the President with the flexibility he needs to manage the Government efficiently, legislation is proposed to extend the authority (granted to every other President since 1939) to propose consolidations and organizational shifts. This authority could not be used to create or abolish whole departments or agencies, nor could the proposals be amended by Congress.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

July 31, 1985

TO THE CONGRESS OF THE UNITED STATES:

We share a common objective -- to make government more responsive and sensitive to the needs of the people. Over the past several years, significant progress has been made toward:

- o Controlling the growth of government by selectively limiting funding through the budget process and by controlling personnel levels;
- o Identifying and preventing waste and fraud in government spending;
- o Improving individual agency management, to further reduce costs and make better use of its resources;
- o Developing government-wide management systems that can be adapted to the needs of each agency; and
- o Improving agency delivery systems to ensure that services are efficiently delivered to the American people.

Throughout this effort, I have sought the advice and counsel of the private sector. The President's Private Sector Survey on Cost Control conducted systematic studies of agencies to determine more effective and efficient approaches to delivering services to the public. Thousands of recommendations were made and a large number have been and are being implemented.

The Congress has also supported our efforts by giving the Executive branch important tools to improve efficiency, including milestone legislation such as the Paperwork Reduction Act, the Congressional Reports Elimination Acts, the Prompt Payment Act, the Debt Collection Act, and the Deficit Reduction Act.

Today, I am requesting your further assistance to build on this foundation of progress through your continued support of our efforts to improve government performance. I am also asking you to pass a joint resolution establishing productivity improvement as a national goal and to enact management legislation that is critical to further improving the government's operations and reducing its costs. Together we can enhance our government's ability to use business-like procedures, providing the public with higher quality and more timely services at a lower cost -- an objective shared by the Congress and the Executive branch.

The Productivity Improvement Program

The need for and importance of improving the efficiency with which the Federal government delivers goods and services to the American public cannot be overstated. The Federal government now accounts for 24.6% of the GNP. If we pattern

more

(OVER)

our productivity efforts after those which have proven the most productive in the private sector, it is reasonable to expect that we could match or exceed the private sector's gains, which have recently climbed to about 3% per year.

Therefore, I will shortly establish a government-wide program to improve productivity 20% by 1992. Each agency will be called upon to establish specific priorities for improvement of their services, to examine each of their functions, and to achieve agency-wide productivity goals. They will be asked to focus on results, rather than on process. Agencies will be asked to draw upon the creativity and ingenuity of all employees, to properly reward any achievements in productivity improvement, and to minimize any negative impact productivity increases might have on their employees. This management approach is standard in the private sector and we plan to make it standard in the Federal government.

The President's Management Improvement Program: Reform '88 has provided a solid foundation upon which to base this productivity improvement program, as great strides have been made in establishing effective cash and credit management programs, improving agency management systems, lowering administrative costs, and reducing waste and fraud. Some of our Federal agencies have already demonstrated that they can make real improvements in productivity when they commit their time and talent.

The success of this effort will be reinforced by an early expression of Congressional resolve to make productivity improvement a national goal. Each department and agency will report to me through the Office of Management and Budget on their productivity goals, and on both the progress and the problems in accomplishing them. On the basis of that report, our annual management report to the Congress, which is part of the budget, will also describe our efforts to achieve productivity improvements.

The Administration's Management Legislation Initiatives

The Congress has been most helpful in passing legislation that has made management reform possible. To further assure successful implementation of our Management Improvement Program: Reform '88, I have directed the Office of Management and Budget and agencies to transmit legislative proposals which would make it possible to improve substantially the effectiveness of the Executive branch. These management legislative initiatives cover the important areas of fraud prevention, payment integrity and simplification, procurement, reorganization authority, and reduction in regulatory and paperwork burdens. Some of these proposals have already been sent to the Congress, and others will be transmitted in the days ahead. I want to stress that each of these proposals plays an important role in improving government's management, reducing fraud and waste, or improving productivity. I hope that the Congress can enact them promptly.

Conclusion

Now is the time for us to redouble our efforts to improve the operations of government. The budget deficit, the need to make programs more responsive to their beneficiaries, the complexity of the problems we face, and the very size of government itself all require us to apply the best methods and procedures available to improve productivity. Enactment of the various legislative proposals outlined here will enable us to continue and strengthen our joint effort to improve government management.

Federal managers want to do a good job. Given the necessary tools and support, they can do so. Passage of these proposals will demonstrate our commitment to increased productivity and improved management practices in the Federal government. The American people want and deserve a Federal government that is fair, efficient, effective, and, above all, productive.

RONALD REAGAN

THE WHITE HOUSE,
July 31, 1985.

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