

AUGUST 31, 1993

MEMORANDUM FOR JACK QUINN
ELAINE KAMARCK

FROM: JIM KOHLENBERGER

SUBJECT: NPR SAVINGS

SUMMARY

At today's NEC Principals meeting, the issue of the allocation of NPR savings and possible double-counting of savings erupted. Rubin is setting up a meeting with you for today to discuss it and put it to bed.

SAVINGS ALLOCATION

Stephanopoulos first brought up the concern on allocation of savings although Rubin, Gergen, Pastor, Sperling and others chimed in. Stephanopoulos is concerned that we could lose control of the savings number, that the debate could turn to whether or not the savings are used for deficit reduction or investments, and that the savings could be used to lower the budget caps. He believes we need to carefully frame the savings as either offsetting new investments or something else.

Panetta indicated that in a meeting he had with the Vice President last night, the Vice President indicated that savings would be allocated to meet targets under the cap, for additional deficit reduction, or to meet new investments.

Gergen is concerned that if we do not apply it to the deficit, that we will be pressured to find more cuts. He believes that moderate and conservative Democrats were left with the impression that we would return from recess with more deficit reduction.

DOUBLE COUNTING

There was a lot of concern that the number we use for savings is 50% double-counted. That is, half of the savings already exists. Elaine has indicated that they spent the last several days with OMB to avoid any double-counting and that the final report does not include a final savings number.

SEPTEMBER 22, 1993

MEMORANDUM FOR GREG SIMON

FROM: JIM KOHLENBERGER

SUBJECT: MEGA BRIEFINGS AND MONOGRAPHS

This is to respond to your questions on the status of the Mega-Briefings and the monographs

MEGA-BRIEFINGS

The target date for the two Mega-briefings is October 6. Heather is still trying to get rooms which is driving the schedule to some degree. The date will be more solid this afternoon. Government Affairs and Government Operations are hosting the briefings. They will invite the Chairs and ranking Republicans from every committee (but not Subcommittees.) Goody, Marla, LeeAnn, and presumably you would set the ground rules for the briefing. If they won't agree to the ground rules, we won't go.

MONOGRAPHS

The monographs are being cleaned up so they can be ready to go the first week in October. There has been no decision, however, on when or if they will be released. LeeAnn plans on coordinating with Committees as the monographs are released. The Regulatory Systems monograph may be sped up to go out with the Executive Order. Kumiki has been working with its writers to smooth out language. On Transportation, Deich has been given considerable leeway in developing the language for the maritime commission. The report will not specifically detail membership of the committee but will indicate that both sides believe the current system doesn't work.



OFFICE OF THE VICE PRESIDENT
WASHINGTON

September 17, 1993

MEMORANDUM FOR THE NPR IMPLEMENTATION WORKING GROUP

FROM: GREG SIMON

SUBJECT: MEETING AGENDA FOR SEPTEMBER 17th

SUMMARY

The meeting today will address the NPR team's proposed schedule for NPR actions, the October spending cut package, response to OMB's letter on removing personnel floors, Congressional hearing requests, schedule for sending up major legislative pieces, relations to the Joint Committee on Congress, and Republican proposals to support the NPR reforms

DISCUSSION

Proposed Schedule for NPR Actions

- Proposed schedule for Administrative and Agency actions
- Executive Orders
 - President's Management Council
 - National Partnership Council
- Major Legislative Pieces
 - Procurement (with October Package)
 - Buy out
 - Financial Management
 - Budget Reform

October Package:

- review spending cut items
- address question of user fees
- discuss consultation process

Removing Personnel Floors

- Status report from Panetta and Paster

Congressional Hearing Requests

- Decide and schedule VP appearance on Hill
- Prepare orientation meeting for testifying officials

- Respond to current Congressional responses: House Gov Ops, House Science Committee and House Interior.

Joint Committee on Congress

- Consultations
- Joint announcements

Republican Proposals

- House Republican Commission proposal
- Consultations schedule

NPR To Do

Jan K.
[Signature]

1) Procurement reform.

- NEC meeting on socioeconomic aspects of procurement reform. Dorothy Robyn (NEC) is setting it up.
- NO* a) Should there be a deputies level meeting first? The question needs to be asked but I don't think its necessary or timely.
- b) Dorothy Robyn (NEC), Allan, Burman OMB, Colleen Preston (DOD) and Sandy Weisman (NPR) have been tasked with putting together a memo.
- Priority →* c) We need to get the meeting on the VP's schedule and get some good talking points together. Dorothy Robyn(NEC) will call me when its scheduled. I think Elaine's shop is better prepared to do talking points on the subject.

- We need to determine the vehicle for drafting the procurement bill. There are four options:

We do principles + thank them for drafting bill that reflects them.

- a) Meld DOD and NPR bills
- b) DOD makes its bill more generic to cover rest of government (could crib from Senate version, but Senate staff is reluctant to let 8 months worth of drafting go)
- c) Administration sends up DOD procurement bill to be melded with Senate government wide procurement bill.
- d) Endorse Senate bill. Burman (OMB) and Robyn (NEC) believe this may be the way to go.

2) Savings

- Yes* • Meeting w/ Principals to solidify deficit/investment ratio.
- NO* • Do we need to lower expectations on the hill from a \$10b a year deficit reduction package to something smaller so it will be good news when it goes up.

3) Package

- TO DO →* • You and Martha Foley committed to meeting to go over how the additional legislative packages are included (i.e. GPO privatization, Innovation Funds, Grant consolidation, etc.) I am putting together a list of contacts and initial issues on each.

- We need to re-scrub the list for fees.

4) **Next Meeting**

- We agreed to meet again on Thursday of this week. Kristin is setting it up.

We read from agents.

NPR CATS AND DOGS

OTHER ITEMS FOR CONSIDERATION FOR OCTOBER PACKAGE

ELIMINATE THE GPO'S MONOPOLY

NPR RECOMMENDATION -- For all executive branch printing, NPR recommends that Congress end the Joint Committee on Printing's oversight role of GPO. The NPR report argues that Congressional control of executive branch printing may have made sense in the 1840s, when printing was in its infancy, the government was tiny, there was no civil service, and corruption flourished. But it makes much less sense today. NPR wants to encourage competition between GPO, private companies, and agencies' in-house publishing operations. If GPO can compete, it will win contracts. If it can't, government will print for less.

Status

GSA has drafted a piece of legislation removing JCR's oversight role of GPO and giving it to GSA. It's not complicated legislation but still needs more work. Some agencies now see problems with the recommendation because they see GSA as worse than GPO. It seems some agencies are comfortable with GPO, having learned to work around GPO. There is an inter-agency council made of agency printing officers, already established, that would set printing policy. On the hill, the concern is that every agency will begin procuring printing equipment. Its doubtful, however, that agencies could procure new printing equipment given tight budgets.

Contacts

NPR Sandy Weisman 632-0150 x127
OMB
GSA

BOTTOM UP GRANT CONSOLIDATION

NPR RECOMMENDATION -- Congress should allow states and localities to consolidate separate grant programs from the bottom up. The NPR proposal calls for Congress to authorize "bottom-up" grant consolidation initiatives. Localities would have authority to mix funding from different programs, with simple notification to an agency, when combining grants smaller than \$10 million each. For a consolidation involving any program funded at more than \$10 million, the federal awarding office (and state, if applicable), would have to approve it before implementation. In return for such consolidation, the state and local governments will waive all but one of the programs' administrative payments from the federal government.

When different grants' regulations conflict, the consolidating agency would select

which to follow. States and localities that demonstrated effective service integration through consolidation would receive preference in future grant awards.

Status

There have been no consultations with state or local governments on this. Each of the partners in the intergovernmental system must work collaboratively with others -- federal, state, and local--to refine this recommendation. The details of this proposal need to be negotiated with important state and local organizations, such as the NGA, the NCSL, U.S. Conference of Mayors, and the National League of Cities, before legislation is drafted. There are several other questions that must be answered, like can localities streamline their administration, to proceed. Consultations and other necessary negotiations are unlikely to be achieved in such a short time frame for an October package.

Contacts

NPR	Carolyn Lukensmeyer	632-0385
OMB	Ros Rettman	x4778
InterGov		

CATEGORICAL GRANT CONSOLIDATION -- 55 TO 6

NPR RECOMMENDATION -- Consolidate 55 categorical grant programs with funding of \$12.9 billion into six broad "flexible grants"--in job training, education, water quality, defense conversion, environmental management, and motor carrier safety. This proposal came from the National Governors Association (NGA) and National Conference of State Legislatures (NCSL), which describe it as "a first step toward broader, more ambitious reforms." It would consolidate some 20 education, employment and training programs, with a combined \$5.5 billion in fiscal year 1993 spending; roughly 10 other education programs (\$1.6 billion); 10 small environmental programs (\$392 million); six water quality programs (\$2.66 billion); and six defense conversion programs (\$460 million).

Status

Unlike the Bottom up grant consolidation recommendation above, there have been lots of consultations with states on this recommendation. This recommendation primarily affects states and not localities. The question now is what should be done by legislation and what should be done by rule. These two grant proposals should be kept together to keep the states and localities together.

Contacts

NPR	Carolyn Lukensmeyer	632-0385
OMB	Ros Rettman	x4778
InterGov		
	Betsy Reveal	Finance Director City of Seattle

INNOVATION FUNDS

NPR RECOMMENDATION -- Allow all agencies and departments to create innovation funds. NPR recommends that Congress should authorize a two tier system of innovation funds: small loan funds within agencies; larger funds at the departmental level. These would be capitalized through retained savings from operational appropriations. For the new system to work well, Congress should allow all new and existing innovation funds to invest in joint projects with other agency funds, with state or local governments, or with industry. Strict repayment schedules, with interest, would discourage careless borrowing.

Status

This legislation consists of a general authorization allowing agencies to set up their own innovation funds if they choose. It seems fairly straight forward.

Contacts

NPR Mike Serlin 632-0150 x130
OMB Hal Steinberg x4534

CONGRESSIONAL REPORT CONSOLIDATION

NPR RECOMMENDATION -- In fiscal year 1993, Congress required executive branch agencies to prepare 5,348 reports. NPR proposes to consolidate and simplify reporting requirements, and to redesign them so that the manager will have a clear picture of the agency's financial condition, the condition of individual programs, and the extent to which the agency is meeting its objectives. NPR recommends that Congress pass legislation granting OMB the flexibility to consolidate and simplify statutory reports and establishing a sunset provision in any reporting requirements adopted by Congress in the future.

Status:

In July, Senator Levin asked agencies to identify reporting requirements that they would like to drop in advance of putting together a piece of legislation to eliminate the reports. We need to be very careful in vetting a list of reports that we would eliminate -- remember the Bicentennial Commission. I doubt that this can be vetted and ready for an October package. If it were to be included, there are several options for pursuing this recommendation:

- A Presidential Memorandum or OMB directive could be issued to agencies to identify unnecessary or duplicative reporting requirements. After vetting, legislation could be drafted to single those reports out for elimination or consolidation.

- Legislation could be drafted along the lines of the NPR report granting OMB the flexibility to consolidate and simplify statutory reports and establishing a sunset provision in any reporting requirements adopted by Congress in the future.

YEAR END CARRY-OVER BUDGET

NPR RECOMMENDATION -- NPR recommends that agencies be allowed to carry over half of their operating budgets into the next fiscal year.

Status

An October package would not be the right vehicle for something that may ride better through the Appropriations process. Additionally, it isn't possible to separate out operating budgets for all agencies. This would be written for those that can identify operating costs.

Contacts

NPR Bev Goodwin

REGO Meeting-Senate Procurement Bill

West Wing Office

5:30-6:30 pm , Tuesday, October 5, 1993

EVENT

You are meeting with Senators Bingaman, Levin and Glenn. As you know, all three sit on the Senate Governmental Affairs Committee, which is in the midst of producing a procurement bill.

YOUR ROLE AND CONTRIBUTION

- There are two basic agenda items for today's meeting. The first conversation should address socioeconomic provisions of forthcoming procurement legislation. Attached are two option papers generated by the Procurement working group. The circled items appear to be the options towards which the group is moving.
- The second attachment is a consideration of the principles of procurement reform which could be the focus of a joint Administration/Congressional event.
- If this meeting goes well and you get through the two basic topics, you might try to get a commitment from the Senators to amend the language of the Senate bill to better reflect the decisions agreed upon at the White House during the recent vetting process.

ATTACHMENTS

- Attachment #1-2 policy option papers
- Attachment #2-Procurement Reform Principles

PRINCIPLES OF PROCUREMENT REFORM

The federal procurement system needs to be recognized as an administrative process that balances the costs of the system to taxpayers and vendors, the line manager's needs, and the nation's socioeconomic goals. The law's main role should be to set public policy goals and sensibly protect the system against fraud.

A procurement system must have more customer service and less bureaucracy, and be based primarily on getting value for money. Federal line managers need responsive, efficient, and innovative procurement services delivered by procurement officers with whom they can develop a tested, long-term relationship. Together, line managers and procurement officers must shift from procurement focusing on regulation for the sake of regulation to a system balancing value, price, and fairness to produce a truly cost-effective system.

The following five principles will serve as the basis for achieving these goals.

Move from rigid rules to guiding principles. Corporations and other governments have reduced detailed controls, replacing them with broad guidelines and accountability for results. For example, Australia's new procurement regulations cover only 93 pages. Similarly, the federal government needs to revamp its procurement policy framework and legitimize the shift from rules to guiding principles. Along with giving broader discretion to front-line managers, the government should build a more professional workforce and encourage innovation. Such changes will encourage procurement officers and line managers to be accountable to their customers.

Get bureaucracy out of the way. The government should reduce burdens and bureaucratic procedures along with adding guiding principles and accountability for results. For federal procurement, a new simplified acquisition threshold will simplify procurements from small businesses and small disadvantaged business firms, streamline labor provisions, and reform elements of procurements for information technology.

Give line managers more authority and accountability. The procurement professional should work with, not against, the line manager. Managers should be able to acquire more without going through a procurement office. Thus, line managers should be allowed to expand their use of commercially available purchase cards for relatively small dollar items. Procurement should focus more on understanding the customer's needs and identifying the best way to satisfy them. With these changes, the effectiveness of procurement organizations can then be measured on results (with input from the customer), as well as compliance with guiding principles. Authorities and accountability also would be clarified by revising ethics laws to make them comprehensible and strengthening their effects, while simultaneously preventing them from stifling essential communications between vendors and the government.

Give line managers expanded access to competitive sources of supply. The federal, state, and local governments should be allowed to cooperate in procurement actions. Federal customers should also be able to use whichever procurement office -- in other agencies, or in state or local governments -- that can provide the best service.

Foster competition, commercial practices, and excellence of vendor performance. In general, the nation could reap many benefits by moving federal procurement practices closer to the private sector's best commercial practices. Elements include the increased use of standard, commercially available products, expanded use of electronic data interchange and electronic commerce, more emphasis on excellence in vendor performance, and greater reliance on best value (not just least cost) procurements.

The federal government can create a system that works based on these themes. The reinvented procurement system will be much like modern commercial procurement systems, but also will ensure fairness and the other social values and goals uniquely important to public procurements.

OCTOBER 14, 1993

MEMORANDUM FOR GREG SIMON

FROM: JIM KOHLENBERGER
SUBJECT: PROCUREMENT UPDATE

NEGOTIATIONS

Negotiations are ongoing with the Senate. As you know, the Administration got a copy of the Senate bill last Thursday. OMB did a side-by-side with defense's which raised at least one potential DOD show stopper dealing with subcontractor protests and several other lesser problems. A group met with the Senate staff on Wednesday to start working through the issues. Senate staff made clear that they would not make any changes to the bill before introduction. Thus, we may need to get commitments in writing. The administration group is meeting again on Saturday to work out a uniform administration position for dealing with the Senate.

We don't know where the House is on Procurement reform. We should have a better idea after the administration group meets with House staff on Friday. Although Elaine had a meeting with House staff a week before they had a copy of Glenn's bill in which they reportedly said they didn't have problems with it, I think we should expect that there will be problems with the House. Separate meetings are taking place with Mfume, Dellums, and others.

PILOTS

OMB has sent around a letter to agencies outlining the changes made to the procurement pilots and asking that agencies identify the political appointee who has problem. This will be a good test for the issues that will come on the broader reform package.

REMAINING ISSUES

There are still some process issues that we should focus on to keep this moving forward. While we reached closure on the three affirmative action issues, there are some issues that agencies have problems with that are in both the broader reform bill and in the pilots -- these are issues first raised when the pilots circulated the first time. Justice, for instance, called Todd with one of the less controversial ones dealing with environmental crimes. SBA has raised the most issues and thus SBA may require special attention. Additionally, the small and disadvantage business requirements have objections from at least 5 agencies (this issue will take some effort to resolve). In total, there may be 12 or 15 remaining issues.

There are several ways to proceed to resolve these issues. Robyn suggests we hold another

NEC meeting to enlighten the agencies on our desire to move forward. I don't think we get very far with another NEC meeting. An alternative option would be to work through the OMB process to work with agencies and when appropriate call them on the carpet individually. Either way there is a lot of work to be done.

TIMING

I understand that Roy has mentioned the 28th as a possible date. It is by no means a solid date. The longer we have, the more we can work things out.

SEPTEMBER 23, 1993

MEMORANDUM FOR TONY WILSON

FROM: JIM KOHLENBERGER

SUBJECT: SCHEDULING REQUEST FOR NEC MEETING ON
PROCUREMENT REFORM

SCHEDULE/MEETING REQUEST

This memo is to request an hour on the Vice President's schedule on Wednesday the 29th for an NEC principals meeting to discuss the socio-economic aspects of proposed procurement legislation. Since this is one of the Vice President's flagship NPR initiatives, the NEC meeting is being scheduled around the Vice President's schedule.

BACKGROUND

During the week of October 4, the President and the Vice President, together with key congressional Members will announce a major effort to reform the federal government's procurement system per the Vice President's Reinventing Government recommendations. This NEC meeting is the key to building a coherent administration position on the issue to allow the October 4 announcement to go forward.

DURATION OF MEETING

One hour.

DATE OF EVENT

Wednesday, September 29th.

LOCATION:

To be determined by the NEC once the time is set.

PARTICIPANTS

The Vice President and the NEC Principals.

STAFF CONTACTS

Elaine Kamarck
Jim Kohlenberger

THE WHITE HOUSE
WASHINGTON

September 22, 1993

MEMORANDUM FOR GREG SIMON AND JIM KOHLENBERGER

FROM: Dorothy Robyn
SUBJECT: Senate Sponsors of Procurement Reform

Senators Glenn, Bingaman and Levin met with staff this evening on the procurement reform draft. They discussed 10 potential "hot button" issues (see list below). Glenn and Levin are nervous about taking some of these issues on, and they want reassurance that the Administration will back them up.

Sen. Glenn will call the Vice President tomorrow to request a meeting -- probably for Friday -- to discuss the controversial issues. Glenn will share a summary of the Senate bill, and will suggest that the Senate and the White House agree on a date for an event -- preferably the week of October 4.

Glenn and Levin, in particular, are distrustful of the Administration; they fear that we will float a position and then back off of it. Glenn is the most nervous, Levin somewhat less so; Bingaman (the only one of the three who's up for reelection) wants to take on all 10 issues and will reinforce the Vice President completely. Bingaman has warned them that if the Democrats can't summon the courage to take these issues on, the Republicans will walk away and offer their own alternative; that will be seen by industry as "the real Section 800 bill".

The Senators will be looking for a very strong statement from the Vice President at their meeting. He should say that he is completely on board and looking to go down the toughest path he can find; this is what makes us "new Democrats". He should offer to help with the unions. And he should promise to consult with them as this process moves along, so as to allay their fears of being undercut.

Two suggestions: One, the Vice President might suggest that this be a meeting without staff; that would guarantee that the members and the Vice President could air their political concerns candidly. Two, Mr. Gore might want to invite Bill Perry, the Deputy Secretary of Defense, to join the meeting. Perry is highly respected on the Hill for his knowledge of and commitment to major procurement reform, and his presence at the meeting might be a reminder of the Administration's savvy and resolve on this issue.

"Hot Button" Issues

1. Rehabilitation Act of 1973
2. Vietnam Era Veterans Readjustment Assistance Act of 1974
3. Davis Bacon Act
4. Service Contract Act
5. Walsh Healey
6. Miller Act
7. U.S. Flag Vessels
8. Brooks Act
9. Architect and Engineering Services
10. Bid Protest payments to attorneys

(Glenn is most nervous about #1 and 2; #9 and 10 go beyond the scope of the Section 800 report.)

THE WHITE HOUSE
WASHINGTON

September 23, 1993

MEMORANDUM FOR GREG SIMON AND JIM KOHLENBERGER

FROM: Dorothy Robyn
SUBJECT: Meeting with Glenn, Levin et al.

A couple of additions/changes to last night's memo on the Senate sponsors of procurement reform.

a. The Members would prefer that there be no staff (that would include Bill Perry); they see this as a meeting between people who all have to run for reelection.

b. Bingaman will try to get Sen. Nunn to the meeting, since he will presumably be good on the socioeconomic issues.

c. The list they bring to Gore to discuss will probably have 7 key issues:

1. Rehabilitation Act of 1973
2. Vietnam Era Veterans Readjustment Assistance Act of 1974
3. Davis Bacon Act
4. Service Contract Act
5. Contract Work Safety Act
6. Walsh Healey
7. U.S. Flag Vessels

OCTOBER 7, 1993

MEMORANDUM FOR THE VICE PRESIDENT

FROM: GREG SIMON
JIM KOHLENBERGER

SUBJECT: OCTOBER PACKAGE ISSUES

Today's NEC meeting is to reach closure on which items will be included in the October package.

Attached to this memo is the list OMB prepared of the controversial items in the October Package. Level one are items that should be included. Level two are items that can be included about which there is some question. Level three are controversial items. Level four are items recommended to be dropped. I've listed below the big-ticket items that have problems and deserve the most attention.

BIG TICKET ITEMS

1. SSA DISABILITY CLAIMS PROCESSING

RECOMMENDATION

SSA should apply resources and management tools needed to reduce backlogs and to avoid paying benefits to individuals who are no longer disabled. NPR estimates savings in outlays of \$4.01 billion.

ISSUE

While there is clearly abuse, it will be perceived by many that we are going after the disabled community. We can address that by establishing clear differences in how we achieve reform as compared to Ronald Reagan.

But the real problem is in the scoring. We have to invest \$2 billion to get \$4 billion in savings. The problem is that we don't get credit for the savings and can't use them to lower the caps or get under the caps because they are in the Social Security account off-budget. But we do get scored for \$2 billion in spending on the discretionary side. Thus, the item will score as a \$2 billion investment with no savings.

This means Congress would spend \$2 billion to upset the disabled community. Additionally, we can't score it for pay-go purposes since we have to invest up front. In addition, Shalala is fighting it and HHS has refused to draft the legislative language. DPC would also have problems including it in the October package because the DPC can use the savings for welfare reform.

2. HIGHWAY DEMOS

RECOMMENDATION

Eliminate funding for highway demonstration projects.

ISSUE

The Hill strongly opposes this for 2 main reasons. First, why would we cut authorized and appropriated projects. Second, why would we cut jobs by cutting these projects generally. Mitchell, as an example, has \$150 million worth of demonstrations in Maine. The House just went through a bruising fight between Carr and Mineta on demonstration projects in the Transportation Appropriations bill making members less likely to challenge the issue again.

We embraced full ISTEA funding as part of the stimulus package -- authorized demonstrations included. On the other hand, leaving out highway demonstrations would be an obvious omission from the package. Further, if we don't cut authorized projects, we still get most of the savings.

3. POWER MARKETING ADMINISTRATION

RECOMMENDATION

NPR proposes increasing federal income by changing the financing of Bonneville Power Administration.

ISSUE

In discussions with Foley's staff, he has made it clear that his bottom line is that the proposal be rate neutral for Bonneville. He doesn't want to commit until he knows what he's committing to and can be assured that his constituents won't see rate hikes. Staff continues to work as hard as is possible to work it out in time for inclusion in the October package. However, it's unlikely at this point that the proposal can be solidified in time for the October package.

In addition, politically, Foley does not want this item included in a deficit reduction package, which means, I assume, he prefers it in the FY '95 budget.

AIRPORT GRANTS IN AID

RECOMMENDATION

Eliminate Airports Grants-in-Aid

ISSUE

It was originally believed that Airport grants could be eliminated spurring increases in Passenger Facility Charges, a locally administered user fee, to cover the grant losses. However, there are many reasons why this non-NPR proposal isn't feasible. First, cutting airport grants to the 1500 airports that received the grants in 1992, wouldn't generate savings. The grants are funded by the ticket tax and the airport trust fund and not through general revenues as originally believed. Second, the President has signaled his support for the program. The President did an event earlier this year in Pittsburgh on Grants-in-Aid in support of the stimulus package. Third, this is a non-NPR proposal. It will appear that we are going out of our way to go after airports (and its big money for them) and that we are removing the basis for the ticket tax in general.

SMALLER TICKET ITEMS ON LIST THREE

ENVIRONMENTAL POLAR SATELLITE CONVERGENCE

There are several problems with moving this in the October package. First, there is an effort already underway through OSTP to move on this recommendation. The effort includes delicate negotiations with the Europeans that could be hampered by efforts on the hill. This can be done administratively and OSTP hopes to produce make final recommendations next year culminating in an Executive Order that will address data access and a host of other issues. Legislation wouldn't amount to more than directing the President to take the action. In addition, cost savings are minimal. Savings won't appear until FY 96 or 97 and probably won't amount to more than \$1 or \$2 million at best.

STREAMLINE ARMY CORPS OF ENGINEERS

The NPR summary report only discusses closing regional offices while the total recommendation includes closing other district offices. Congress reacted quickly by including language in the Energy and Water Appropriations bill on both sides prohibiting the Army Corps from moving on district office closure. The October package will follow passage of the Appropriations bill.

REDEFINE FEDERAL OVERSIGHT OF COAL MINE REGULATION AND RAMP

This is a Byrd issue. There is an Abandoned Mine Land Fund problem as well. The proposal would rob from the west and give to the east. This will frustrate the abandoned mine land fund proposal included in the hardrock mining refund. We would also be forced to support moving dollars from the west, where the production is, to the east where the abandoned mines are. Interior has refused to draft the implementing legislation.

IMPROVE BUREAU OF PRISONS EDUCATION, JOB TRAINING, AND FINANCIAL RESPONSIBILITIES PROGRAM

Upon closer analysis, it turn out that BOP already charges for most of the services it provides. The one area where they don't charge is health care. Since there are many preventative health services that pay off in the long run, charging for prisoner health care could run counter to our health care proposal. Also, there is a Federal Prison Industries issue here.

AUTOMATE ERISA PROCESSING

Leon continues to have concerns about opening up the ERISA debate. There have traditionally been annual wars between Ways & Means and Education and Labor committees. Labor likes this one. OMB doesn't think that the savings materialize. IRS also has concerns because we would be giving away software for tax compliance.

- a precedent that complicates IRS's move for automated filing by setting standards and having the private sector develop the software. There may be room here for some agreement if standards were set for ERISA software rather than the government developing software.

AMEND ERISA REQUIREMENT FOR PLAN DESCRIPTION

Again, Leon has concerns about opening up the ERISA debate. The pension rights advocates will fight this issue. Reports that are filed would no longer be on file. The argument is that they are infrequently requested. This action is certainly worth trying.

ELIMINATE MINERAL INSTITUTES

This is a Byrd program and its not an NPR recommendation. The question will be asked why we went further than NPR to single out this program that affects lots of schools.

ITEMS OMB PROPOSES TO DROP

EXPORT CONTROL SYSTEMS

The issues here cannot be resolved for an October package. Its on a thanksgiving timeframe.

SINGLE POINT OF CONTACT FOR PROGRAM INFORMATION - EDUCATION

The Department of Education is already doing this and it costs money for new FTE's. We are looking for ways to claim victory now.

INCENTIVES TO REDUCE COSTS FOR DISASTERS

Cannot be resolved for October package. OMB argues that we shouldn't be changing the policy while we are still dealing with the flood. Also, there is a separate group looking at this as part of a more comprehensive disaster reform group.

CHANGE UN ADMINISTRATION PROCEDURES

We already have achieved \$32 of the \$36 million in savings. Doing the bill requires a change to the tax code which we have tried to stay away from.

SIMPLIFY WAGE REPORTING

OMB recommends doing a pilot program administratively rather than doing the whole thing legislatively now.

RECOMMENDATIONS FOR INCLUSION IN OCTOBER PACKAGE
(estimates in millions of dollars)

10/6

<u>Lists</u>	FY 1994-99 <u>BA/Outlay/Revenue</u>
List One	-8089.4/-8981.0/ 203.4
List Two	-257.8/ -582.2/ 0
List Three	-10133.0/-9581.3/3614.5
List Four	1.8/ -60.2/ 0
TOTAL	-18478.4/-19204.7/3817.9

RECOMMENDATIONS FOR INCLUSION IN OCTOBER PACKAGE
(estimates in millions of dollars)

LIST ONE

		FY 1994-99		
<u>NPR Recommendations</u>		<u>BA/Outlay/Revenue</u>		
<u>Department of Agriculture</u>				
USDA01	End the Wool and Mohair Subsidy	0	/ -923.0	/ 0
USDA02	Eliminate Federal Support for Honey	0	/ -15.0	/ 0
USDA03	Reorganize/Streamline Department	-1673.6	/ -1645.5	/ 0
<u>Department of Defense</u>				
DOD05	Incentives to Generate Revenue	-500.0	/ -459.0	/ 0
DOD09	DOD Health Care Operations	-350.0	/ -330.0	/ 0
<u>Department of Education</u>				
ED02	Reduce Number of Programs	-2760	/ -2440	/ 0
<u>Department of Energy</u>				
DOE08	Sale of Alaska Power Administration	0	/ -20.2	/ -52.6
<u>Department of Health and Human Services</u>				
HHS08	Collection of SSA Death Information	-6.0	/ -6.0	/ 0
HHS14	Allow HCFA Contracting Out	-730.0	/ -985.0	/ 0
<u>Department of Housing and Urban Development</u>				
HUD02	Improve Multi-Family Asset Management	-812	/ -812	/ 0
HUD06	Streamline HUD Operations	-167.0	/ -154.4	/ 0
HUD07	Refinance Section 235 Mortgages	-210.0	/ -45.0	/ 0
HUD08	Reduce Sec. 8 Contract Rent Payments	-225.0	/ -225.0	/ 0
HUD09	Consolidate Section 8 Cert./Vouchers	n/a	/ n/a	/ n/a

HUD10 Reduce Operating Subsidies
for Vacancies -172.2/ -147.0/ 0

Department of Interior

DOI08 Improve MMS Royalty Collections 0 / 0 / 28.0
DOI13 Improve Federal Helium Program -12.0/ -12.0 / 35.0

Department of Justice

DOJ04 Debt Collection 0 / 0 / 0
DOJ10 White Collar Crime Enforcement 0 / 0 / 0
DOJ13 Improve Civil Monetary Penalties 0 / 0 / 193.0

Department of Labor

DOL01 Reemploy Disabled Fed Employees 0 / -125.7/ 0
DOL14 Expedite Wage Determinations
for Contracts .1 / .2 / 0
DOL20 Reduce Employees Compensation
Act Fraud -22.6 / -22.6 / 0

Department of Transportation

DOT18 Cuts for Merchant Marine Academy -45.5 / -45.5 / 0
DOT21 Terminate FAA Education Grants -45.4 / -42.1 / 0

Department of Veterans Affairs

DVA03 Eliminate Constraints to Promote
Effectiveness 0 / 0 / 0
DVA04 Streamline Benefit Claims Processing 1.8 / 1.8 / 0
DVA11 Close Supply Depots 0 / -168.0/ 0

Reinventing Human Resource Management

HRM06 Make Training More Market Driven 0 / 0 / 0
HRM14 Incentives for Voluntary Separation 0 / 0 / 0

Reinventing Federal Procurement

PROC04	Establish New Acquisition Procedures	0	/	0	/	0
PROC14	Electronic Commerce for Acquisition	0	/	0	/	0

Other Recommendations

Department of Veterans Affairs

Other	Clearinghouse for VA	-300.0	/	-300.0	/	0
-------	----------------------	--------	---	--------	---	---

Multi-Agency

Other	Garnish Federal Wages	-60.0	/	-60.0	/	0
-------	-----------------------	-------	---	-------	---	---

Streamlining Management Control

BMC06	Reduce Congressional Reports	n/a	/	n/a	/	n/a
-------	------------------------------	-----	---	-----	---	-----

Mission Driven, Results Oriented Budgeting

BGT05	Year-End Spending	n/a	/	n/a	/	n/a
-------	-------------------	-----	---	-----	---	-----

Improving Financial Management

FM07	Create Innovation Funds	0	/	0	/	0
------	-------------------------	---	---	---	---	---

TOTAL		-8089.4	/	-8981.0	/	203.4
-------	--	---------	---	---------	---	-------

10/06/93
6:30 pm

RECOMMENDATIONS FOR INCLUSION IN OCTOBER PACKAGE
(estimates in millions of dollars)

LIST TWO

	FY 1994-99
<u>NPR Recommendations</u>	<u>BA/Outlay/Revenue</u>
<u>Department of Health and Human Services</u>	
HHS09 Social Security Debt Collection	0 / -335 / 0
<u>Department of State</u>	
DOS05 Reduce Mission Operating Costs	-57.8 / -56.2 / 0
<u>Department of Transportation</u>	
DOT19 Rescind Earmarks for FTA New Starts	-51.0 / -47.0 / 0
DOT20 Reduce Essential Air Service Subsidies	-78.0 / -73.0 / 0
<u>Other Recommendations</u>	
<u>Department of Health and Human Services</u>	
Other Report State Compensation Payments	-6.0 / -6.0 / 0
<u>Reinventing Support Services</u>	
SUP01 Eliminate Printing Monopoly	-65.0 / -65.0 / 0
 TOTAL	 -257.8 / -582.2 / 0

10/06/93
6:30 pm

RECOMMENDATIONS FOR INCLUSION IN OCTOBER PACKAGE
(estimates in millions of dollars)

LIST THREE

<u>NPR Recommendations</u>	<u>FY 1994-99</u>	<u>BA/Outlay/Revenue</u>
<u>Department of Commerce</u>		
DOC12 Environmental Polar Satellites	-300 /	-254 / 0
<u>Department of Defense</u>		
DOD12 Streamline Army Corps of Engineers	-68.0 /	-61.0 / 0
<u>Department of Energy</u>		
DOE04 Elec. Power Revenues and Study Rates	0 /	0 / 3601
<u>Department of Health and Human Services</u>		
HHS06 SSA Disability Claims Processing	0 /	-4010.0 / 0
<u>Department of Interior</u>		
DOI02 Redefine Federal Oversight of Coal Mine Regulation and RAMP	-28.0 /	-28.0 / 0
<u>Department of Justice</u>		
DOJ05 Improve Bureau of Prisons	0 /	0 / 13.5
<u>Department of Labor</u>		
DOL05 Automate ERISA Processing	-49.7 /	-49.0 / 0
DOL06 Amend ERISA Requirement for Plan Descriptions	-0.3 /	-0.3 / 0
<u>Department of Transportation</u>		
DOT17 Highway Demonstration Projects	-8835.0 /	-4391.0 / 0

Other Recommendations

Department of Interior

Other Eliminate Mineral Institutes -52.0 / -52.0 / 0

Department of Transportation

Other Eliminate Airport Grants-in-Aid -800.0/ -736.0/ 0

TOTAL -10133/-9581.3/3614.5

10/06/93
6:30 pm

Other Recommendations

Multi-Agency

Other Eliminate Subsidies for Lead,
Mercury & Asbestos 0 / -62.0 / 0 +
(Require tax change, questionable
policy)

Improving Financial Management

Other Bottom-Up Grant Consolidation n/a / n/a / n/a
(Cannot be resolved for October)

TOTAL 1.8 / -60.2 / 0

10/06/93
6:30 pm

RECOMMENDATIONS FOR INCLUSION IN OCTOBER PACKAGE
(estimates in millions of dollars)

LIST FOUR (DROPS)

		FY 1994-99		
<u>NPR Recommendations</u>		<u>BA/Outlay/Revenue</u>		
<u>Department of Commerce</u>				
DOC03	Export Control System	0 /	0	/ 0
(Cannot be resolved for October)				
<u>Department of Education</u>				
ED08	Single Point of Contact for Program Information	1.8/	1.8	/ 0
(Department already doing; costs money)				
<u>Federal Emergency Management Agency</u>				
FEMA03	Incentives to Reduce Costs of Disasters	0 /	0	/ 0
(Cannot be resolved for October)				
<u>Department of State</u>				
DOB09	Change UN Administration Procedures	0 /	0	/ 0
(Already have savings; doing bill requires tax code change)				
<u>Department of Treasury</u>				
TRE05	Simplify Wage Reporting	n/a /	n/a	/ n/a
(Do pilot program administratively)				