PART I - PLENARY SESSION

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROLS

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My objective today is to discuss the President's Private Sector Survey on Cost Controls (PPSSCC), its objectives, operations, the current status. I will also share with you information, indicators and general areas of the Federal Government -- with specific focus on financial operations -- which I feel need to be improved.

Why PPSSCC?

First, let me discuss why President Reagan decided to establish the President's Private Sector Survey on Cost Controls (also known as the Grace Commission). Did you know that it has taken this country 186 years to reach a $350 billion budget and only six years to double that amount to over $700 billion? If we look to 1985, we will have tripled that budget in a short period of nine years. Where and when is the Federal spending going to come under control?

Let's take a look at a few disturbing facts:

--Our national debt today is over $1 trillion. At the highest point in the Vietnam War, it was only $437 billion. In a short ten-year period, it has doubled.

--The interest alone on the national debt is over $100 billion a year.

--It takes all the taxes collected from individual taxpayers in the tax bracket of $29,999 and below (60 percent of all taxpayers) to pay just the interest on the national debt.

--In 1972, expenditures for social programs were $16 billion. Today, they are in excess of $210 billion, a 1,300 percent increase.

--Total transfer payments, such as food stamps, Medicare, civil service retirement and housing subsidies, not including social security payments, equal over 110 percent of all the taxes paid by individual taxpayers in this country. What this means is that the Government is nearly in a deficit spending pattern before it begins to pay for maintaining one square foot of the 2.6 billion square feet of office space it owns or the $60 billion plus in salaries and expenses.

--Ninety-six percent of all net personal savings in this country is borrowed by our Federal Government, and this amount has increased at an alarming rate over the course of the past ten years.

--On the other hand, the Government today stands behind some $905 billion of guaranteed and direct loans.

--There is about $2 trillion in insurance risk that the Federal Government has assumed under various insurance programs it adminsters.

The Need for Financial Information

We, as financial managers, are faced with the challenges of reversing this trend. These challenges must be met by us, by the Congress, and by the President and future Presidents if we are to survive as a nation.

My major concern is what future generations of Americans -- our children and their children -- will face. After looking at our international and domestic financial situation, it doesn't take much intelligence to conclude that, if we collectively do not begin to do something about the spending patterns that exist in this country today, we are likely to pass on to our children a standard of living that is clearly more deficient than that which was passed on to us.

The numbers are there and the trends are obvious. In the past, it has simply been a case of more, more, and more. Today, you, as financial managers, can play a most pivotal part -- indeed, a key role -- in attempting to turn that trend around. This starts by assuring that you produce the right financial information, at the right time, in the right place, and at the right cost in order to make the right decisions. The information needed to make good decisions is presently not there. What you have is a lot of data; but the data you have are not the management information or financial management information that is so vital to proper decisionmaking.

Let's take a look for a moment at the financial information that should exist but presently does not. The Government for example, purchases approximately $130 billion worth of goods and services each year. The Federal Government does not know the full extent of how much it spends for consulting services, what kinds of contracts are awarded, what the average mark-up is, the difference between quality performance and nonquality performance, or whether the service has been previously procured elsewhere in the Government, etc. The same is true with regard to information about software costs and types, feeding operations, and normative information on administrative management services, which senior managers could use to improve their decisions concerning public policy and resultant spending. Federal agencies have just recently begun to capture some of these types of information, information which is essential to decisionmaking.

Management Systems Need Attention

The Federal Government has over 5,000 procurement data systems, over 300 accounting systems and over 300 payroll systems; it seems that each agency has its own. As you know, when you buy things, you often do not buy the same thing every time. Each Government organization, however, generally goes through the same process of issuing a Request for Proposal and subsequently awarding a contract. We -- you and I -- could probably identify 100 critical information items that are required for procurement management and decisionmaking. These 100 or so information requirements could be applied universally across Government, at the primary level, with some minor variations at the secondary and tertiary levels. It must be always recognized that, of course, there are differences between buying pencils and major weapons acquisition, but, by and large, there is a great deal of commonality among all procurement systems. For example, some questions that need answering are:

--How much does the Government spend, on an annualized basis, for the procurement of software packages?

--More importantly, what is being procured?

--Do agency purchases of software packages and systems design services overlap and duplicate?

The Federal Government owns 33 percent of all the land in this country -- 744 million acres -- yet it does not have adequate information on royalties collected from those leasing the Federal land, other revenues collected, nor the fair market values of other Federal properties.

Along these lines, did you know that the Federal Government owns 405,000 buildings, in which there is approximately 2.6 billion square feet of space? Again, the Federal Government does not have the information it needs to manage this total space effectively. It should have better information on whether it should lease or buy office space and whether:

--The space should be maintained and managed by the private sector or managed internally; and

--The expected return on investment justifies the decision to buy or lease.

The Grace Commission raised some of these questions early in the survey. In many cases, we were told we could get the answers to our questions in Washington; in other cases answers were to be found in San Francisco, or in Minneapolis; and yet other cases, in rural America. We discovered that the data were fragmented and scattered throughout the country. Therefore, it was extremely difficult, if not impossible, to develop baselines to make certain assessments and evaluations and upon which to draw conclusions.

You should recognize that your Federal Government and mine is heavily into the real estate business -- it owns over 50,000 multi-family or single-family homes that have been repossessed by the Veteran Administration, the Federal Housing Administration, and the Farmers Home Administration. Some key questions that we should ask about these real estate holdings:

--Should the Federal Government be in the real estate business?

--Should responsible Federal agencies make agreements with banks so that when repossessions take place, the banks manage these affairs for a fee?

--How does this fee compare to the Government's cost of doing business?

Answer to these questions can only come about from the availability of adequate information.

Another example concerning the need for improved information relates to the over $1.2 billion of surplus and excess real property owned by the Federal Government but valued at acquisition cost. How can a Federal decisionmaker make an informed decision as to the Government's financial standing when property acquired a hundred years ago is reported at its acquisition cost of $100, and yet, in today's market, could be valued at a billion dollars? An estimate of the fair market value of this $1.2 billion of property (acquisition cost) is alleged to be in excess of $25 billion in today's market.

Finally, the size and complexity of the Federal Government is exacerbated by its lack of a cohesive, integrated and comprehensive management system. Long-range planning in the Federal

Government does not exist today. In many cases, long-range planning is this afternoon's press conference or tomorrow morning's Congressional testimony. Too many decisions concentrate on short-term; unfortunately, some of these tie into the political structure and process, while others affect both career civil servants and political appointees. It is very difficult to manage without long-range planning; its absence frequently creates discontinuity of operations, and yet that is often exactly how the Federal Government operates. For example, one Federal agency that is responsible for disbursing over $50 billion annually has had four agency heads in four years. This is tantamount to the annual replacement of a chief executive officer in a private corporation. The Federal Government needs to have continuity in top leadership, as well as in middle management in each of its organizations. The Grace Commission is addressing some of these continuity issues as part of the Personnel Management and Federal Management Systems task force.

The "M" in OMB has been missing for some time now. It has been, at times, only the Office of Budget. No one in the recent past has provided dynamic leadership to the management side of the Federal enterprise. The current Deputy Director of OMB, Joseph Wright, is succeeding in his efforts to change that. Each one of you has an opportunity to help him in this undertaking. As I understand it, he will discuss with you this afternoon this Administration's efforts (Reform '88) to make major management reforms and improvements in the management of the Federal Government's business.

The Structure Also Needs Attention

Now, let's address the management structure in the Federal Government, and let's get to the bottom line quickly. I'm not aware, for example, of a private sector firm today that has three separate and distinct units in its corporate organization reporting to the Chief Executive Officer and dealing separately with the following three integrated functions:

--Personnel management;

--Computer acquisition and real property management; and

--Budget and financial management.

Three independent organizations (the Office of Personnel Management, the General Services Administration and the Office of Management and Budget) exist in the Federal Government today to set policy and monitor its execution in these three areas. Each is independent of the other, and each reports to the President. In this regard, as I recall, the President has over 60 people reporting to him. According to management experts like Peter Drucker, the span of control standard generally calls for somewhere between 7 and 10 people reporting to an executive.

This structural problem has contributed to the over 300 different accounting and payroll systems in the Federal Government today, to the lack of an overall financial management strategy, and to the absence of integration between financial and property management systems, etc.

As a further illustration, when I was Assistant Secretary at the Department of Agriculture back in the mid-seventies, we were unable to determine the accurate number of USDA field locations. We thought it was around 15,000. I don't know whether they have an accurate count today, but it wasn't there back in the seventies. This complex field structure extends and impacts other Federal agencies as well. The Federal Government, for example, has no point of coordination or accountability dealing with the establishment and management of its field structure. If there was, I doubt seriously whether the Federal Government would have 1,750 personnel offices throughout the country, with sometimes four, five or six in the same city, often situated in the same building, and providing various personnel and personnel-related services. Why couldn't one Federal personnel management office service all Federal agencies at one location in each city?

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What does this all have to do with financial information or financial management? The message I'm trying to convey is that financial management goes beyond just dealing with financial information. If you're without an adequate accounting system to capture required financial data, which can in turn be translated into financial information, you will never get a marriage between your budget system on the one side and your accounting systems on the other, not to mention the difficulty you will encounter with financial reporting. None of these areas will tie together unless you are aware of the happenings in your environment and fully understand how financial management -- if taken together with other key managment systems in your organization -- can make a difference.

Where We're At

With this backdrop, I'd now like to explain why the President thought it would be a good idea to bring some private sector people to look at Federal Government operations. The President, as you know, led a similar study in California in the 1960's, when approximately 200 people performed a review of the State government operations. The results of the California study were overwhelmingly positive and impressive. Because of that most positive experience, coupled with the need to reduce Federal spending and improve operations, the President decided to seek advice from the private sector.

In late February 1982, the President called Peter Grace, Chairman of the Board and Chief Executive Officer (CEO) of W. R. Grace and Company, (the longest tenured Fortune CEO in America), to head up a commission to be called the President's Private

Sector Survey on Cost Control (PPSSCC). During the period, March through June 1982, Mr. Grace recruited 160 chairmen of the boards and chief executive officers from all over the country to serve on the PPSSCC Executive Committee. They, in turn, recruited about 1,500 full and part-time private sector people, including presidents, chief operating officers, chief financial officers, executive vice presidents and others. Many of these volunteers came from the parent companies headed by members of the Executive Committee.

Therefore, it can be said that the PPSSCC is a totally volunteer operation with no Federal money involved. I am proud to report today, that with the exception of Janet Colson, who is a Special Assistant to the President and the Deputy Director of PPSSCC's management office, there have been no Federal employees on this survey project. The private sector responded to the President's and Mr. Grace's call for assistance by contributing, during the past year, an estimated $60 million in travel and personnel costs for the 1,500 volunteers reviewing and evaluating Federal operations to identify ways in which opertions could be improved and cost reduced.

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PPSSCC objectives were basically two-fold: first, to take a long hard look at how the Government performs its business and recommend ways to make it more efficient; and second, to see if proven private sector methods of management could be applied effectively in the Federal arena. In so doing, short and long-term opportunities for improvement were to be reported. During the past nine plus months, we've tried to do just that.

We organized the study around 36 task forces; 24 were organizationally focused; i.e., the Department of Agriculture, the Department of the Interior, and the Department of Transportation; and 12 were functionally focused and cut across Government departments and agencies; i.e., financial management, personnel management, data processing, and research and development. Each task force had a minimum of two members of the Executive Committee serving as co-chairs. In addition, there were as few as 20 people on one task force, and as many as 82 on another.

One task force stood out in that it focused on the Federal management system. Many of the needed improvements we see in Government today are not due to incompetent performance or to people who do not care or who do not want to work. Rather, these short-comings are caused by strategy, structure and systems problems. This task force addressed these key elements of management.

The process followed by each task force was basically four-fold. Initially, we asked the task forces to spend 1 or 2 weeks becoming more learned and knowledgeable about the agency or the function they were going to be studying. We developed some critical skills requirements for each task force and matched these requirements with available resources. Therefore, we identified these critical skills and recruited people who had demonstrated, for example, personnel and human resource management skills, and assigned them to work on the Personnel Management Task Force. We did the same thing with other areas, such as financial management, research and development, and data processing. For Interior, we tried to find people who had experience in natural resources; for Defense, we tried to find people who had experience in defense and defense-related industries. Overall managerial capabilities and experience were sought for all task forces.

Each task force then spent about 3 weeks surveying the organization or function under review, studying that organization, reviewing the size and scope of operations in terms of dollars, people and field locations. They reviewed budget documents, GAO audit reports, Congressional hearing documents, various study reports and prior findings of the Office of the Inspectors General, etc. Prior to and concurrent with these activities, the PPSSCC management office interviewed hundreds of people, including Assistant Secretaries for Administration, the Director of the Congressional Budget Office, the Comptroller General, several key officials at the Office of Management and Budget, private organizations and special interest groups. During these 4 to 5 weeks, we reached out and collected as much information as possible and synthesized that information into a set of issues for review or improvement opportunities. The task force then spent the next 12 to 16 weeks reviewing each of the improvement opportunities in greater detail. The results of these efforts were to be included in individual task force reports to be released during the April through June 1983 time frame. We are currently engaged in this process. A final report to the President is planned for late June 1983 or early summer.

This task has not been an easy one; it has been very frustrating at times. We've had to deal with court suits and media, Congressional and public inquiries. Just last week, there was an article in The Washington Post which many of you, I'm sure, read. The article alleged that the PPSSCC was recommending the abolishment of the Veterans Administration. The truth to the matter is that such recommendation was never included in the rough draft or final versions of the task force reports. These are the kinds of things that have been very frustrating and have detracted attention away from the main purpose.

On April 5, we will release for public review, in accordance with the Federal Advisory Committee Act, the first six task force reports. They will cover Personnel Management; (a cross-cutting report); the Department of Agriculture; the Department of Energy; the Department of Commerce; the Department of Health and Human Services, (exclusive of the Social Security Administration, Public Health Service, and Health Care Financial Administration); and the Environmental Protection Agency, the Small Business Administration and the Federal Emergency Management Agency.

Those six task force reports will be deposited in the Reading Room at the Department of Commerce on the same day. Ten days later we will hold a public meeting also at the Department of Commerce, during which these six reports and their specific recommendations will be discussed by a Subcommittee of the PPSSCC Executive Committee. Thereafter, and for the next 3 months, we will release every 2 weeks six task force reports, through about June 22 when the last group of reports will be released.

A Time for Change

Now, I'd like to make some general observations on the subject of financial management. My personal belief is that financial management will undergo significant, bold changes during the 1980's, changes the likes of which you've probably never experienced. You'll need to be prepared. There will be four major component parts in this process: strategy, structure, systems and people.

In my view, you, as financial managers, will not be able to make significant improvement in the area of financial management unless you approach it in an integrated, holistic way. A little fix here and a little fix there will not do.

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The first thing that must be established is a financial management strategy: What is it that this Government needs and wants to do with regard to improved financial management (budgeting, accounting, reporting and auditing)? What direction should it move in? What resources is it prepared to commit? This requires a strategy at the very top level of Government. It's not a matter of trying to patch up an accounting, budgeting or reporting system that works. It's a matter of initially looking at financial management in a most comprehensive fashion. Identifying needs and requirements for improvement and developing a plan of action to get there, with principal focus on compatability, integration and unification.

The next major component is structure. As you know, the Department of the Treasury plays an active role in financial management. More recently, the Office of Management and Budget has played a more active role in financial management. The General Accounting Office also has a role in financial management, in that it sets accounting standards and then audits, reviews and evaluates those systems for compliance with established standards. The General Services Administration also plays a central role, particularly as it relates to computer and office systems acquisition needed for automation. Then, there are individual departments, agencies and bureaus, each doing in many cases their own thing. Therefore, a whole host of players are involved. The real question is who's in charge? Who's responsible and accountable for financial management in the Federal Government?

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Do you know, for example, which agency has the lead role for cash management today? The Department of the Treasury has the responsibility, but it lacks the authority to execute that responsibility. History has shown that Executive agencies are not generally concerned with cash flow management -- it's simply not a high priority item -- since they are not primarily responsible for cash management and view it as a responsibility of Treasury. These agencies are concerned with their own programs and operations -- not Treasury's cash management concerns. Treasury, for example, may inform an agency Assistant Secretary that there's a cash management problem at his/her agency and that the Government may potentially be losing millions of dollars in interest each year. However, cash management may not be a high priority item on the Assistant Secretary's agenda or the "fixing" may take too long or be too difficult. So nothing happens. Because there's no real incentive for the agency to respond -- it's not recorded on their scorecard -- and because the Treasury is without clout or authority to enforce, the issue remains uncorrected.

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Contributing to this problem is the fact that there is no chief financial officer today for the Federal Government. In a few cabinet-level departments, there have been changes in the past several years toward a comptrollership or financial officer function. But most of these comptrollers perform more of a staff than line function. To my knowledge, there's no chief financial officer at any agency level that parallels the comptroller or chief financial officer in the private arena, where financial policies, practices, methods, controls and standards are established and monitored to achieve some reasonable consistency and compliance at the operating unit level. This condition -- who's in charge of the "candy store" -- must be corrected if the Federal Government is to restore fiscal accountability and integrity to the process.

Structurally, the Inspector General concept is sound and viable. The Inspectors General meet periodically as part of the President's Council on Integrity and Efficiency to coordinate and share information and ideas. But, there's still no day-to-day leadership to provide consistency of audit and investigative quality, resource allocation, and integrated training and development programs. Moreover the full use and exchange of the state-of-the-art methodologies in statistical sampling, data processing and flow chart mechanisms are not being realized. This void needs to be filled and should be considered a key function to be assumed by the chief financial officer.

The third component is the system. As you no doubt know, there are some very profound systems problems among (1) planning, (2) budget development and execution, (3) accounting and financial management information, and (4) financial reporting. Unless these four pieces are integrated, or at least coordinated, with audit, the full value will not be realized.

People is the fourth component and a very critical one. There are no uniform specifically defined requirements as to the skills, knowledges and abilities necessary for "admission" to the financial community within the Federal Government. I know from my days with the Federal Government, instances where individuals trained as procurement specialists who, by virtue of reduction-in-force, became accountants overnight and were assigned positions within the financial community. Suddenly, they were financial managers or managers of financial information.

The Federal Government needs to define criteria and establish professional qualfication standards for "admission" and continued employment in the financial community not only at the civil servant level, but at the highest political appointee level as well. The political process today accepts an individual who is politically compatible and appoints him or her, for example, an assistant secretary for management. In many cases this individual, while functioning as the chief financial officer of a cabinet level department, all too frequently does not have the background, experience or the qualifications to fill that position. This is also true in the military environment. The Federal Government and, more specifically, the financial community need to respond to this case for improved professional standards in order to attract and retain competent talent in an increasingly complex and intellectually demanding profession.

Ten Critical Success Factors for the 80's

Next, I've been requested to repeat for you some of the key points I made during my keynote address at the Association of Government Accountants in Denver about nine months ago. I discussed at that time what I viewed to be the 10 critical success factors for public financial managers for the 1980's. I have since received numerous invitations to speak and write on these critical success factors. Therefore, I thought I'd share them with you today.

The first success factor is flexibility. Do not misinterpret this factor, because I, too, have an accounting background -- an undergraduate degree in accounting and some graduate work in accounting and understand and appreciate the need for exactness, objectivity and independence. Whatever success I enjoy today is largely attributed to being a "numbers person" and having an accounting background. However, since our academic training and day-to-day work experience have often taught us that there is a right and a wrong, and that there is very little in between, we tend not to be as flexible as the work environment in the 1980's will demand from each of us.

I believe it was President Kennedy who said, "We cannot negotiate with people who say, what's mine is mine and what's yours is negotiable." All too frequently, individuals in financial management approach other managers and attempt to sell their position or negotiate on those terms. Achieving a greater level of flexibility is not only desirable but possible without compromising your objectivity and independence.

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The second critical success factor is risk. Frequently, the accountant or financial manager finds it extremely difficult to accept anything less than a complete story -- a full set of facts and figures. Today's operating environment requires a level of comfort with many numerical estimates and ranges, which frequently lacks precision and a level of exactness. Understanding the manager you serve who, at times, will need numbers and information in a more timely fashion and is willing to sacrifice exactness and completeness in order to make timely decisions is something that financial managers will need to recognize, accept and respond to during the 80's.

Another factor -- the third -- is communication, that is, the ability to communicate with nonfinancial managers in laymen's terms so they understand what you're saying. You, as financial managers cannot, for example, meet with new political appointees and talk to them about budget authority, obligations and outlays. You might have impressed the new appointee with your technical knowledge, only to become depressed when you later discover the appointee's complete lack of understanding about the budget process. Instead, your focus should be on communicating in a way that people will understand. You should speak in nontechnical terms, if it's results you're interested in.

Organizational diversification is the fourth critical success factor. Most individuals in financial management today have experienced what I call a vertically integrated career: an undergraduate degree in business or accounting, a graduate degree, followed by work as an accountant, auditor, financial officer, budget analyst, or financial manager. Most seem to stay within the budget and financial management arena.

Those of you who are determined to succeed in the 1980's will develop a career plan that will take you outside of financial management for a "cross-fertilization" experience. Following this developmental experience, you will return to the financial management arena better prepared and with a different perspective on what it's like to sit on the other side of the desk. Since most financial managers today occupy staff positions, you should experience what it's like to be a day-to-day line manager, so you can better understand what managers need and thus perform more effectively in the future.

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The fifth critical success factor is timeliness. How do you preclude achieving a required, rather than desired, level of exactness at the expense of timeliness? If I need certain information, a specific analysis, or a report tomorrow to make a decision, and I do not receive it in a timely fashion, I'm likely to make that decision -- if time is of the essence -- and run the risk of being wrong, rather than not make the decision at all. Remember, there are times when some information, however general, is better than no information at all. Therefore, it's imperative that you understand the decisionmaker's requirement. Financial managers strive for exactness in reporting information to the senior level manager when some of the information sought can be satisfied by ranges and estimates. Therefore, before proceeding to do everything as usual, consider the possibility of incurring risks whenever and wherever appropriate -- challenge yourselves to assess whether past practices should apply or whether risk taking may be more appropriate and effective.

The sixth critical success factor is technological awareness. We're living in a world of change that will be unprecedented in the months and years ahead. Employees will no longer be sitting in their offices with their calculators cranking out numbers. Many of you by 1990 will be working at home aided by a computer terminal and communicating technology -- doing analyses, making inquiries and communicating with your fellow co-workers at home and at the office.

You need not be a computer expert or technician. However, you should understand the computer environment, so that you know what computers can or cannot do. You cannot afford to sit back and close your eyes to new technology and refuse to learn new ways to solve old problems. It really isn't a matter of whether you're going to learn and adjust to this new world of technology. The question is when will you begin? The technology is here today. Better than 51 percent of the total workforce in America today is employed in offices. One trillion dollars a year is spent to employ and support white collar employees in private and public sector offices throughout the country. Most of that amount, or about 72 percent, is spent to support you and me -- professional employees. Therefore, with this kind of potential pay off, you can expect a great deal of attention focused on the office environment and the productivity gain and dollar savings that can be realized through the introduction of automated equipment in the office -- that's got to have a significant impact on how you and I will do our work. You will need to know what's available and what it can or cannot do for you in order to maximize your abilities and capabilities to deliver the services you're paid to provide.

The seventh critical success factor is what I call the "holistic" approach. Do not become so parochial as to look only at financial management and ignore other areas. Let's assume for a moment that the recent passage of legislation will require the implementation of a new social program. Program officials will generally look at financial and cost information only as it relates, for example, to the food stamp program. They generally will not take into account other associated costs such as new personnel, space, relocation, organizational equipment, administrative and overhead costs. Therefore, it is critical that financial managers know enough about an entire program and look at the total picture in terms of providing valuable and meaningful financial management information to program managers. It's easier and clearly more effective for a financial manager to understand the total picture -- the program in this case -- than for the program manager to understand financial management.

Utilization of the best practices is the eighth critical success factor. This is what I call avoiding the "NIH" syndrome, the not-invented-here syndrome. This syndrome explains why we have over 300 different accounting systems, 300 payroll systems, 5,000 procurement data bases, and countless numbers of duplicative and overlapping software packages and management systems in the Federal Government. There are thousands upon thousands of good, demonstrably successful practices and techniques that are available from other agencies and are not being used. One example is the effective process by which the National Finance Center at the Department of Agriculture processes payment vouchers and payroll checks. The Center processes some 30,000 vouchers per day at an approximate cost of less than one dollar per voucher. There are hundreds of other installations in Government that process the same type of vouchers for a great deal more, ranging from $2 to over $8 per voucher and perhaps even more.

The ninth critical success factor is power. The financial manager of the eighties will have the opportunity -- because of the information he or she has access to -- to influence, direct and control. Information is power. If you do not believe me, take a look at the perpetual survivors in the Federal Government -- those who have survived presidential appointment after presidential appointment for 20 years. Again, let me repeat, information is power -- it is power at your disposal to be used judiciously and appropriately.

The last critical success factor is justifying your existence. With the significant technological changes that will take place in the 1980 timeframe, it is important for you to demonstrate your worth -- that you're making an effective contribution to your organization. If you do not adjust to changing times, you are likely to be doomed for extinction and be replaced by someone who's "with it." It's never too late to learn, but don't wait too long or it will be an uphill battle.

Summary

You're now aware of what the Grace Commission is doing -- what Joe Wright and Reform '88 are trying to get done -- and we have a President who's willing to challenge practices of the past and implement change for the good of the American people.

The question before you is whether you will join in to help restructure and improve financial management in the public sector or let this opportunity pass you by. Will you let that opportunity take place or will you make it happen? The difference between making it happen and letting it happen is the difference between failing and succeeding, between being a winner or a loser. The loser is the person that lets things happen. The winner is the person that makes things happen. As Robert Kennedy once said, "Though these are difficult and perplexing times, so too are they filled with opportunities and challenges." Those opportunities are before you. Will you join in and help Joe Wright and this Administration with the Reform '88 initiatives and make the changes required? Will you join in and assist in implementing recommendations made by the Grace Commission to control and reduce costs?

One of the most vital professions in this day and age is financial management -- in large measure, it holds the key to the future solvency of our Government. Financial managers will have an opportunity for significant input in this process of change if they want to become involved and participate. Public financial management as we know it today will not be recognized by 1990. We -- you and I -- cannot be satisfied with the present -- the status quo -- or we are destined to fail. We must leap and grab that opportunity for change and become a part and play a role in carving out our future financial management environment.

In closing, I would suggest that if you elect not to become involved, the risk that you are taking is to be supervised by people less competent than you. Let me repeat, if you do not become involved and make things happen then you will let them happen and run the risk of having someone less competent than you as your leader. I look foward to your assisting us in the implementation of the recommendations of the President's Private Sector Survey on Cost Controls.

JOSEPH WRIGHT, JR.

Deputy Director
Office of Management and Budget

Good afternoon. It is indeed a pleasure to participate in the 12th annual JFMIP conference. Today I want to talk to you about some of the major problems that exist in the management of this Federal bureaucracy and some initiatives being taken by this Administration in dealing with those problems.

In Administration after Administration, dedicated people come to Washington, filled with good intentions about improving Government. In their effort to accomplish a great deal in a short time, they have often ended up expanding programs and increasing the size of Government. This has resulted in more people in Government and ever-increasing Federal budgets. Administrative management practices have not kept pace, leaving the door open for waste, abuse and even fraud. This is not surprising when you consider the size and complexity of programs we are asked to manage. In this Administration, we are committed to changing this direction by introducing better management processes.

We manage more than 2,000 programs, which run the gamut from natural gas prices to savings bonds. These programs reflect tremendous growth and change in constituencies during the past 20 years. The workforce resides in 13 cabinet departments and a multitude of independent agencies. We have seen the demise of only one -- the Community Services Administration -- and four new cabinet departments have been given birth since 1965.

To illustrate the enormous growth in Government programs, note the budgets of two of the major departments in 1960 compared to 1982. In 1960, the Health, Education and Welfare budget was \$26.8 billion and the Department of Defense (DOD) budget was \$23.9 billion. In 1982, the Health and Human Services budget was \$251.7 billion and the DOD budget was \$182.9 billion. This is astounding growth. I think you will note that the social programs have grown considerably faster than the defense programs.

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Government has increasingly assumed responsibility for feeding those in need. Uncle Sam provides 95 million meals a day at an annual cost of $17.8 billion. Thirteen years ago these programs cost $960 million. The food stamp program, which began in the early 60's, has grown to where it serves over 21 million people.

The number of veteran's programs has increased. The complexity index has zoomed. The Veteran's Pension Program alone has three layers to be maintained concurrently, each mandated by the Congress: the pre-1961 system; the 1969-78 system; and the post-1978 system. Each has its own rules, benefits and administrative requirements. To complicate matters, a whole new constituency appeared in the post-Vietnam era -- a sensitive period that required new rules and processes.

Much of the growth in size and complexity occurred when new program areas were thrown into existing cabinet agencies, straining the administrative and management systems to a point of inefficiency from which they have never fully recovered. For example, the Department of Transportation alone administers almost 100 highway programs today, compared to 14 in 1963. The number of highway requirements increased from 15 to 53 during that same period, each requiring a separate tracking system.

The point of all of these examples is that Government's mission -- translated into programs -- is bursting the seams of the administrative systems serving those programs. The problem can no longer be ignored, nor patched with a lick and a promise.

The administrative costs of executive branch agencies will total about $138 billion in 1983, including personnel costs -- about 17 percent of the whole Federal budget. If we could assume that through improved processes, systems, and management practices, we could reduce these administration costs by 10 percent, think of the payoff. That savings of $14 billion could reduce the projected budget deficit for fiscal year 1984 by nearly 10 percent, and if done properly, would not adversely affect the delivery of Federal programs. In fact, improved systems should enhance program delivery.

The size of the Federal Government and Government-financed work force is enormous. It is the largest employer in the country with 2.8 million civilian workers supplemented by 3 million contract employees and another 5 million State and local employees administering Federal funds.

A good portion of civilian and contract employees are housed in 405,000 Government-owned office and other buildings, and in thousands of leased buildings -- a total of 3 billion square feet of space to be cleaned, maintained and kept secure. Forty-thousand people are employed for these purposes alone.

To implement the many programs, Government employees are required to travel. Imagine the record-keeping involved in $5 billion worth of tickets and related travel expenses for thousands of employees each year. Outdated, redundant regulations have added to the burden, and a lack of good travel management processes has increased the cost to the taxpayer.

There are 332 identified accounting systems in the Federal Government. Only 63 percent meet the standards of the General Accounting Office, and most are not functioning optimally.

This, of course, leads to the subject of computers. According to our best records, the Government employs 150,000 people to run its 16,000 overworked computers at a cost of $6 billion, annually. The average age of this equipment is more than six years old. Considering that the older the computer, the more space, maintenance, labor and energy consumed, there is a great potential for savings in updating many of the Government's computers. [redacted] STAT

An inventory of existing management systems in all major agencies identified over 600 major management and administrative systems in four basic areas -- personnel, property, dollars, and information. Most of them are incompatible, even within individual agencies. So, what are we going to do about these problems?

When President Reagan came to Washington, he promised the American people a more responsive, more economical, more efficient, and less wasteful form of Government. He asked us to search out the problems, many of which I have just outlined, and then to do something about them. By last summer, we had made some progress, but the President believed strongly that our efforts required broadening with more direction. Thus, the idea for Reform '88 was born. The formation of Reform '88 was announced in September 1982. Reform '88 highlights this Administration's commitment to large scale reform of the Federal Government's management processes over the next six years.

We recognized that the goal of permanent, structural systems improvement would require strong and continuing White House and agency commitment in implementing effective administrative systems for Government-wide use. Therefore, last September, the President established a new Cabinet Council on Management and Administration (CCMA). The CCMA is chaired by President Reagan with Ed Meese as the Chairman Pro Tempore. The committee is made up of a select group of departmental cabinet officers. So, you can see, the entire effort has the attention of the highest levels of Government.

One of the first issues addressed by Reform '88 was the antiquated communications system between the White House and major Government agencies. We were using cars and drivers shuttling back and forth with memos and agendas with red stickers "URGENT." Security officials were going bonkers! That was the same way when Madison was in the White House. That finally ended, and the first electronic mail system linking the White House and the cabinet departments is already in operation and will be expanded.

Secondly, we are tracking a series of management improvement initiatives which will result in savings of $20-30 billion over the next three years. The third major accomplishment involved OMB getting its house in order. Steps have been taken toward reducing central management regulations directed to the agencies. A review of OMB regulations by the Assistant Secretaries for Management and OMB itself will result in reductions in OMB management regulations of between 20 and 30 percent, and that is still growing.

The guts of Reform '88, however, are the institutional improvements that will be made over the next several years -- improvements that will survive changes in political leadership and turnover in career personnel. The improvements which have been identified fall into four broad areas: the budget process, financial management systems, resource management, and a management information system that ties them all together.

The cornerstone of financial management in the Federal Government is the budget process. Our objective is not to tamper with the content or organization of that process, but to expand the application of ADP technology to the various systems that drive the process -- from budget formulation through preparation and submission to the Congress and, finally, appropriation actions. Our goal is to reduce the clerical drudgery and processing burdens associated with the budget process and to enhance the timeliness and reliability of the data. Existing technology can be used to improve this process. Eighteen of one hundred and one agencies are now transmitting budget data in machine-readable form.

Our goal is for 22 major agencies to have fully-automated systems for use in transmitting numeric data for their fiscal 1985 budget submissions. The remaining 79 agencies will be tied in as rapidly as possible. The result will be a faster and more accurate exchange between agencies and OMB budget examiners, and enhanced analytical capabilities.

Timely, accurate financial data are essential to improving overall management in the Federal establishment. One of the first steps toward achieving that objective is for each agency to have an adequate, GAO-approved accounting system that meets management's needs and is compatible for Government-wide interface. In spite of sporadic efforts by most agencies over the past 30 years, less than two-thirds of all Federal accounting systems have gained GAO approval. Even less are operating these systems as described. A major initiative is required to ensure that

Government builds responsive accounting systems. Reform '88 will take an active role in requiring agencies to enhance their systems.

Valid verifiable accounting data are only the first step in the improvement effort. Data are not information until they are intelligently used. Managers must establish processes in which they can use data effectively to manage and control their financial operations. In response to this need and as a corollary to the accounting project, OMB will be working with GAO to develop standards and guidelines which will serve as a basis for financial management within departments and agencies. These standards, when applied Government-wide, will be flexible enough to accomodate the unique needs of individual departments and agencies, but will also serve as the basis for ultimately developing uniform accounting information across Government.

Better financial data are the cornerstone to improving overall management in every Federal entity. Most agencies and major operating components have developed their own decentralized, nonstandard systems with independent data bases to support unique management needs. It is very difficult to obtain department-wide data, much less Government-wide data, other than through cumbersome processes with a high probability of inaccuracy. There is no way to collect these data in a timely manner.

The Department of Commerce has a project underway which has the potential to be used as a model for building common financial information repositories across Government. Commerce is taking data from existing accounting systems and putting them into a standardized, accessible, and controlled repository, using a "bridge" program concept.

While the details of the Government-wide approach are being shaped, we are optimistic that a common financial reporting capability for all departments can be in place by December 31, 1984. This will be a major milestone in the effort to build responsive reporting capabilities in Government.

Both debt and credit management offer opportunities for enormous savings to Government through improved management and systems. Gross debt grew from $77.6 billion in 1974 to $273.2 billion in 1982. About 80 percent of the total debt is loans to students, homeowners, businesses and farmers. About $27.3 billion is delinquent income taxes. Overpayments under Federal entitlement and assistance programs account for another $3 billion.

Delinquencies and write-offs are rising at a rapid rate. Our delinquency rate was 41 percent the past year, compared to 8 percent for national banks. Our write-offs are 66 percent higher than national banks. The deteriorating trend must be reversed.

Agencies have been directed to strengthen their administration in this area. This will be accomplished by upgrading management information systems, by making collection systems less labor and paper-intensive, by using higher quality servicing and collection methods, and by setting goals to reduce delinquencies. We will move quickly to implement the Debt Collection Act of 1982, which makes available to agencies collection tools previously denied by law. We intend to automate servicing and collection functions, dispose of portions of agencies' loan portfolios, and use up-front risk analysis and credit scoring procedures.

There are also great opportunities for improvements in the cash management area. An almost unimaginable $1.7 trillion per year passes through Government systems. The Government pays 5 million civilian and military personnel and processes 640 million checks, annually. The Federal Government does not manage taxpayers' money well. This must be changed. There is a cash flow of almost $7 billion each business day. This makes effective cash management a tremendous concern and priority. Inefficient practices cost the taxpayers millions of dollars each year in unnecessary interest costs.

The potential for savings is great. For example, accelerating the collection and deposit of funds by only one day would result in $269 million in interest savings per year. Improving the timing and control over disbursements by only one day would result in $312 million in interest savings each year. Although not all of this cash flow is subject to changes in processing time, some portions of it can be accelerated by many days or weeks.

By the end of this year, we expect the agencies to have cash management systems which will rival those of the private sector. They will insure that: (1) incoming funds will be collected by wire transfer and lockbox systems; (2) all collections will be processed and deposited to the Treasury on the same day received; (3) payments to vendors and contractors will be made exactly on the date due -- not before and not after; (4) progress payments and advance financing under larger Government contracts will be more selective and controlled; and (5) disbursements to grantees will be more closely monitored and controlled.

Many of these actions can be achieved through administrative improvements. Some of the improvements we seek may require changes of law. We do now and will continue to work closely with the Congress where it is appropriate in achieving these goals. The House Government Operations Committee and the Senate Committee on Governmental Affairs have had a major impact toward better management with their leadership in the enactment of the Brooks Act and the Paperwork Reduction Act. So we share a common goal with the Congress of a better Government for our constituents.

In summary, our vision, and part of the legacy this Administration will leave the American people, is a Federal Government operating in a businesslike manner. This means nothing less than a Government that provides essential public services of high quality as efficiently as possible.

The group in this room has more to do with the success of this project than anyone else in the Federal Government. This will be a grinding, tough project, but it can be done. We have success in two departments: Agriculture and Commerce. When we are finished, it will have been the largest and most extensive management improvement project that has ever been undertaken. We need your help to achieve our Reform '88 goals.

C

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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CHARGING FOR GOVERNMENT PUBLICATIONS COULD HELP RAISE NEARLY $265 MILLION

WASHINGTON, June 30--Establishing user fees for Executive Branch publications can help the government raise nearly $265 million over three years and, combined with improvement in management of publications and mailing lists, the total could increase to more than $1.7 billion, according to a report released by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC).

These recommendations will be considered on July 13th by a Subcommittee of the Survey's Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The committee studying Publishing, Printing, Reproduction and Audiovisual Activities found that agencies pay most of their publication costs from program funds, with little opportunity for cost savings, noting that Congress often requires Executive agencies to disseminate information about their programs, regulations and research. Most of this information is distributed free of charge.

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Citing many problems associated with not being authorized to sell government publications--including the unrecovered costs of $1.3 billion--the committee recommends that agencies have the authority to set user fees for their publications. Prices would be mutually agreed upon by the issuing agency and the distributing agency, and would be set no lower than necessary to recover the costs of handling, mailing and postage.

By way of example of the need for mailing list management, the report noted that 29 copies of the same publication were regularly being mailed to a single addressee. It also mentioned a major project undertaken in 1980 by the Human Development Services (HDS) division of the Department of Health and Human Services to correct its numerous mailing lists. The end result was the consolidation of 128 separate mailing lists containing 90,000 addresses, into a single list with 29,000 names after eliminating duplications, deceased persons, erroneous listings, and persons not interested in receiving HDS publications. There is evidence that mailing-list problems similar to this exist in other Executive agencies.

The success of this project has led the committee to recommend that the Office of Management and Budget (OMB) should issue a directive requiring Federal agencies to submit plans for updating and consolidating mailing lists, together with projected savings.

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Federal postage expenditures were also examined by the committee and although exact costs are not known, expenditures are estimated to be more than double the $900 million estimated in 1982 for direct mail charges alone. The report found that many agencies follow uneconomical mail management practices and suggested that the Office of Management and Budget issue a directive to all agencies to evaluate their mail operations, for purposes of identifying and eliminating practices resulting in excessive postage and other mailing costs.

Additionally, the report cited "significant room for improvement" in the management and operation of Executive Branch in-house printing and improved utilization of the use of private sector resources.

"Of the three-year total of $1.7 billion in savings and revenue generation, $1.1 billion are fully substantiated by adequate documentation, and another $596 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

REPORT ON SELECTED ISSUES

PUBLISHING, PRINTING, REPRODUCTION AND AUDIOVISUAL ACTIVITIES

Media Contact:

THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

To promote a realistic expectation of recommendations reported, we have evaluated the supportability of the recommendations on their management merits according to the three categories which follow:

- Category I -- Fully Substantiated and Defensible. Recommendations in this category are well-supported, convincing and deserving of prompt implementation.
- Category II -- Substantially Documented and Supportable. Recommendations in this category may not be fully detailed or documented, but all indications point to the desirability and defensibility of proceeding with their implementation.
- Category III-- Potentially Justifiable and Supportable. Recommendations in this category, while meritorious, are not fully supported due to time constraints, personnel resources, or other reasons, but are deemed worthy of further analysis to determine the full extent of their feasibility for implementation.

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This analysis permits summary estimates of savings by category, as shown in the table on the following page.

Recommendation	Category/Three-Year Savings ($ millions) I	II	III
PPAV 1-1 through 1-5: Improve agencies' management of their publications programs.		$331.0 (S)	
PPAV 2-1 through 2-4: Enable agencies to set user fees for their publications.		264.8 (R)	
PPAV 3-1 through 3-4: Improve agencies' management of mailing lists used to distribute publications.	95.9 (S)		
PPAV 4-1 through 4-4: Improve efficiency of agencies' handling of publications for mailing and use of USPS services.	550.0* (S)		
PPAV 5-1 through 5-6: Improve agency printing production and increase commercial procurement of printing services.	158.9 (S)		
PPAV 6-1 through 6-4: Improve the management of copying and duplicating resources.	327.7 (S)		
PPAV 7-1: Institute audiovisual review process.	***		
Total Savings (S)	$1,132.5	331.0 (S)	—
Total Revenues (R)		264.8 (R)	
Total Savings/Revenues	$1,132.5	595.8	

* Represents minimum estimated revenues or savings realizable by implementing this recommendation. Actual revenues or savings would probably be much greater.

** Potential savings are reduced by $8 million in the event that PPAV 3-1 through 3-4 recommendations are implemented prior to PPAV 4-1 through 4-4.

*** No savings quantified.

B

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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PANEL PROPOSES SAVINGS RECOMMENDATIONS OF $635 MILLION IN FEDERAL LAND MANAGEMENT POLICIES

WASHINGTON, May 16--The Federal Government can save more than $635 million over a three-year period by improving its management of its land, facilities, and personal property according to a task force report released today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC).

These recommendations will be considered on May 26th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Land/Facilities/Personal Property Task Force was co-chaired by John F. McGillicuddy, chairman and chief executive officer of Manufacturers Hanover Trust Company of New York; Donald G. McNeely, chairman of Space Center, Inc. of St. Paul, Minnesota; Donald W. Nyrop of Edina, Minnesota; Joseph J. Pinola, chairman and chief executive officer of First Interstate Bancorp of Los Angeles and Darwin E. Smith, chairman and chief executive officer of Kimberly-Clark of Neenah, Wisconsin.

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The task force studied the offshore minerals management, Federal vehicle fleet management, and Federal Records management.

Most importantly, the main recommendation of the task force was endorsement of the Interior Department's revenue-producing program of optimizing lease royalty rates from offshore minerals on the Outer Continental Shelf (OCS).

Citing adequate safeguards in the law and the Interior Department's five-year plan to produce revenue from the outer continental shelf, the report endorsed Interior's five-year plan and recommends two lease provision changes which could increase Federal revenues without a loss of private sector incentive.

The PPSSCC task force also recommends that the Minerals Management Service be structured as an independent agency within the Interior Department for review every five years as opposed to annually in order to achieve long-range goals in the OCS program.

With regard to the more than 300,000 Federal vehicles (excluding the U.S. Postal Service) operated by the Federal Government, the task force recommends that the more than 100 agencies/bureaus each operating a motor pool implement some immediate cost-savings changes. It also recommends creating an interagency committee at the the Assistant Secretary level to report short-term savings to the President. The longer-term

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issue of the extent to which the Government should own and operate motor vehicle should be addressed by the Cabinet Council on Management and Administration.

Blaming the Federal Government for keeping too many records too long, the report recommends obtaining the services and guidance of the National Archives and Records Service to establish an effective records management program and to establish retention schedules.

"Of the three-year total of $635 million in savings, $152 million are fully substantiated by adequate documentation, and another $483 million are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT ON LAND/FACILITIES/PERSONAL PROPERTY

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The recommendations contained in this report will result, if implemented, in real and significant savings and benefits. In light of time constraints, limited resources, and other pressures inherent in a study of this kind, we have evaluated each recommendation in order to promote a realistic perspective on each.

Each recommendation has been identified as falling within one of the following three categories:

- o Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- o Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the report, but all indications point to the desirability and defensibility of proceeding with their implementation.

- o Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report (due to limited time and personnel resources, and other constraints) but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social, or economic conditions which may alter the supportability of these recommendations for implementation. By categorizing the recommendations, however, it is possible to assess more effectively the expected estimated savings as being firm, probable, or potential.

CATEGORY/THREE YEAR COST SAVINGS/REVENUE OPPORTUNITIES

Issue/Recommendations	($ millions) I	II	III
LAND 1-1: Utilize optimum royalty rate systems which maximize Federal revenues		$410 (R)	
LAND 1-2: Use seven-year primary terms for leases in harsh environments		1/	
LAND 1-3: Make the MMS an off-budget, independently-funded entity using proceeds from OCS; repeal the requirement of annual Congressional reviews of finalized five-year plans			$1,523 (S) 2/
LAND 2-1: Identify standardization and improvements to be implemented by all fleet agencies			
LAND 2-2: Establish a Government-wide Fleet Management Information System and address the Government's continued ownership and operation of a motor vehicle fleet	$ 97 (S)		
LAND 2-3: Revise vehicle procurement process to contract for all new vehicles at one time		$ 60 (S)	
LAND 2-4: Implement a reconditioning program for all decomissioned vehicles		$ 13 (R)	
LAND 3-1: Require agencies to establish retention periods that do not exceed record's useful life			
LAND 3-2: Require agencies, with the guidance of GSA, to assess records management practices and initiate improvement	$ 55 (S)		
Total Cost Savings (S)	$152 (S)	$ 60 (S)	$1,523 (S)
Total Revenue Enhancements (R)	--	$423 (R)	--

1/ Indicates a recommendation for which no dollar savings or revenues are estimated.

2/ This figure considered a conservative estimate based on a specific example. Failure to act on this recommendation will allow the problem to recur, increasing this estimate into the billions. The Task Force believes that the recommendation itself, given its significance and supportability, should be placed in Category I, but because of the uncertainty and unpredictability of future estimated costs/revenues, the recommendation is placed in Category III.

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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PRIVATE SECTOR PURCHASE OF A FIFTH SPACE SHUTTLE IS RECOMMENDED BY PRESIDENTIAL COMMISSION

WASHINGTON, June 30--The President's Private Sector Survey on Cost Control in the Federal Government today called for legislation to allow the private sector to purchase and operate a fifth space shuttle, as well as allowing the option to purchase future additional shuttles. According to the report, accepting private sector investors in the fifth shuttle would allow the Government to avoid costs of $460 million for each of five years.

These recommendations will be considered on July 13th by a Subcommittee of the Survey's Executive Committee chaired by J. Peter Grace, chairman of W.R. Grace & Co., for possible submission to the President.

The Privatization task force was co-chaired by Bruce J. Heim, vice president of F. Eberstadt & Co., Inc. of New York; Paul F. Hellmuth, former managing partner of Hale and Dorr attorneys at law of Boston; Edward L. Hutton, president

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and chief executive officer of Chemed Corp. of Cincinnati; Paul E. Manheim, of Lehman Brothers, Kuhn, Loeb, Inc. of New York; Eben W. Pyne, former senior vice president of Citibank of New York; and David L. Yunich, former vice chairman of R.H. Macy & Co. of New York.

Stressing the need to increase the Government's efficiency by better utilizing its scarce resources, fulfilling its responsibilities at a cost savings, and putting the private sector to work for the U.S. taxpayer, the report on "privatization" calls for the Federal Government to turn over a series of activities to the private sector, including those associated with the space shuttle, Power Marketing Administrations, construction of Veteran's Administrations hospitals, the operation of Dulles & National airports, and military commissaries.

Calling space industry the next major advanced technological business frontier for the world and emphasizing the need to develop a space transportation system, the report recommends that the President and Congress work together to develop and enact legislation allowing private sector participation in the space program, including initiation of Government/industry cooperation agreements offering incentives to the private sector to make such investments.

In addition to privatizating the shuttle, the report calls for the Government to terminate its $13.3 billion commercial involvement in electric power marketing, citing

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$100 million annual deficits for each of the Government's five Power Marketing Administrations (PMAs). According to the report, the best way to terminate the Government's involvement would be for it to divest its interests in power generating and transmitting to those private sectors of the economy better suited and more normally involved in such activities. Specific recommendations call for the establishment of a system of user fees to be paid by electric consumers and the construction of all future hydroelectric power developments with non-federal funds.

With respect to Federal involvement in airport management, the report recommends that the federal Government sell Dulles and National Airports, the only commercial airports in the nation owned by the Federal Government. Noting that the Federal Aviation Administration may find its role as a supplier of airport services "incompatible" with its larger federal role of "ensuring air safety and efficiency," the report estimates that one time revenue to the U.S. Government from the sale of the two airports would be $341.5 million.

The report also finds that military commissaries no longer fulfill their original mission established in the 1800s of ensuring that supplies were available to frontier posts. Instead, they have duplicated the services delivered by private sector supermarkets and placed the Federal Government in the business of competing with private sector businesses.

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The task force concluded that commissaries are comparable to warehouse grocery stores and that, cost savings on products purchased at commercial warehouses are virtually the same as those enjoyed at commissaries. Substitution of private sector warehouse food stores for commissary stores could even allow greater customer convenience and savings because house brands would be offered.

If commissary operations were privatized and turned over to commercial warehouses, the report projects one time revenue of $240 million, annual recurring revenue of $36 million, and annual cost savings to the Federal Government of $597.2 million.

"Of the three-year total of $28.3 billion in savings and revenue generation, $24.6 billion are fully substantiated by adequate documentation, and other $3.7 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT ON PRIVATIZATION

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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

As the product of an unprecedented and wide-ranging survey performed in a political atmosphere by private sector executives and specialists, the recommendations in this Task Force report must be placed in perspective. Our volunteer staff had the formidable task of bringing their expertise to bear on complex Federal operations in the short span of a few months while holding down other full or part-time employment.

Despite these challenges -- most of which were anticipated at the outset -- valuable analysis and issue development were achieved. The recommendations contained in this report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices financially support these Federal programs and operations.

We believe that the majority of our recommendations are fully substantiated. However, it would be misleading to allege that each and every recommendation is rooted in a uniformly high level of research, analysis and substantiation. Various time limitations, business resources, and other constraints did not permit achievement of the desired uniformity objective.

We have evaluated, therefore, the "supportability" of the recommendations on their management merits and have grouped them into the following three categories.

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the report, but all indications point to the desirability and defensibility of proceeding with their implementation.

- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit.

These category descriptions do not take into account political, social or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of firm, probable and potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following page.

Recommendation	Three-Year Savings/Revenue Opportunities ($ millions) Category I	Category II	Category III
PRIVATE 1: Initiate a Government-wide ongoing privatization structure.	1/		
PRIVATE 2: Sell all or part of the generating and transmitting assets utilized by PMA.	$ 3,535.0 (S) 16,301.5 (R)		
PRIVATE 3: Expand NSTS legislation to allow the private sector to invest in a fifth and future space shuttles and expendable launch vehicle systems.		$1,522.6 (A)2/	
PRIVATE 4: Phase out construction of VA hospitals.	917.0 (S)	446.0 (S)	
PRIVATE 5: Survey DOD commissaries in the Continental United States to facilitate privatization.	2,064.0 (S) 383.2 (R)		
PRIVATE 6: Sell Metropolitan Washington's two Federally-owned airports.		113.2 (S) 341.5 (R)	
PRIVATE 7: Improve Federal motor vehicle fleet utilization.	200.0 (R) 1,237.3 (S)		

Recommendation	Category I	Category II	Category III
PRIVATE 8: Use various private sector services to reduce Coast Guard costs.		$1,258.1 (S)	
PRIVATE 9: Use private sector ADP services to update SSA operations.	1/		
Total savings by category (S)	$ 7,753.3	$1,817.3	0
Total revenue by category (R)	$16,884.7	$ 341.5	0
Total cost avoidances by category (A)	0	$1,522.6	0
Grand totals	$24,638.0	$3,681.4	0

1/ No dollar savings or revenue enhancement is estimated.

2/ This amount represents future cost avoidances that would allow redeployment of assets but are not specific budget savings at this time.

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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VETERANS ADMINISTRATION CAN SAVE MORE THAN $3 BILLION OVER THREE YEARS ACCORDING TO BUSINESS PANEL RECOMMENDATIONS

WASHINGTON, May 6--The Veterans Administration can achieve cost savings and revenue generation of $3.1 billion over a three-year period according to a Task Force report released on the VA today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC). The report also outlined a potential $208 million that can be obtained over the same three-year period by better debt collection.

These recommendations will be considered on May 17th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The PPSSCC Veterans Administration Task Force was co-chaired by William C. Douce, president and chief executive officer of Phillips Petroleum Co. of Bartlesville, Oklahoma; Hans W. Wanders, chairman and chief operating officer of The

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Wachovia Corporation of Winston-Salem, North Carolina; and William L. Wearly, chairman of the Executive Committee of Ingersoll Rand Company of Woodcliff Lake, New Jersey.

In discussing this report, Mr. Grace mentioned the issue about misinformation leaked concerning the elimination of the VA. He said: "The Veterans Administration Report does not contain any such recommendations, nor did we ever contemplate any such recommendation."

The VA Task Force report specifically recommended savings to the agency by improving the processing of disability claims and revising the mortgage guaranty operations. An overall lack of effective utilization of existing personnel resources was also outlined in the report.

The report proposes that work standards be developed in accordance with private-sector standards and that they be used as the basis for budgeting and control of field station operations. The report notes that standards used in the system are less rigorous than those that would be applied in the private sector.

Also, because the VA's current payment system does not contain adequate controls to identify and correct total erroneous payments (the VA itself identifies more than $500 million per year in overpayments), the report also proposes initiating a systematic effort to identify errors in the claims processing system and to correct the causes of these errors.

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With regard to improving the management practices at the VA, the report recommends revising the current debt collection procedures so they incorporate proven private sector practices, including credit bureau reporting and telephone communications.

Specific recommendations for improving mortgage guaranty operations include halting the practice of acquiring homes at foreclosure sales unless there is clear evidence that such action is required to avoid major disruptions in the market for VA mortages. The report noted that the VA loses nearly $7,000 per home for each mortgage default because of sales commissions and property management expenses.

The Task Force also proposes instituting a program to sell mortgages held by the VA in order to remove it from the risks of the financial markets, as opposed to the present practice of holding on to the mortgage for an undetermined period.

"Of the three-year total of $3.1 billion in savings and revenue enhancements, $2.8 billion is fully substantiated by adequate documentation, and another $225 million is partially substantiated," Mr. Grace said.

Mr Grace cautioned that in all of the PPSSCC work, estimated savings and revenue enhancements are more of a "planning" quality and not of a precise "budget" quality.

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CATEGORY/3 YEAR CASH ACCELERATION/SAVINGS/REVENUE OPPORTUNITIES
($ millions)

Issue/recommendations		Report Recommendation Categories I	II	III
VA 1:	Revise work measurement system for claims processing.	$ 271.7 (S)		
VA 2:	Conduct a detailed study of errors involved in claims processing to determine what prepayment reviews are needed.	1484.0 (S)		
VA 3:	Establish new management procedures for collection.	208.0 (CA) 53.9 (S)		
VA 4:	Do not acquire property at foreclosure sales on guaranteed loans.		225.0 (S)	
VA 5:	Schedule sales for all portfolio loans on a regular basis.	953.0 (R)		
VA 6:	Recover administrative costs of insurance programs from premiums and/or dividends.	84.7 (S)		
VA 7:	Improve application planning, selection and development operations.	1/		
VA 8:	Implement a workload measurement system and clearly define roles and responsibilities of line and staff operations.	1/		
TOTAL COST SAVINGS (S) by category		1894.3	225.0	
TOTAL REVENUE GENERATION (R) by category		953.0	--	
TOTAL CASH ACCELERATION (CA) by category		208.0	--	

1/ Management improvement, not quantified.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT ON THE VETERANS ADMINISTRATION

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Chairman of the Executive Committee
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Project Manager

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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

To promote a realistic expectation of recommendations reported, we have evaluated the "supportability" of the recommendations on their management merits and have grouped these evaluations into three categories:

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- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibilty of proceeding with their implementation.

- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptions do not take into account political, social or economic conditions which may alter the supportability for implementing these recommendations. Accordingly, it is possible, by grouping the recommendations along the above categories, to more effectively assess the cost savings that can be expected. In one case there are recommendations which are fully supported (Error Prevention VA-2) but the information available to estimate savings was less than desirable.

Based on the Perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following page.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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FEDERAL GOVERNMENT CAN INCREASE REVENUE BY $10.2 BILLION OVER THREE YEARS BY UPDATING USER CHARGES

WASHINGTON, May 16--The Federal Government can raise more than $10.2 billion over a three-year period by increasing present outdated user fees, as well as implementing new fees for government products and services, according to a task force report issued today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC).

These recommendations will be considered on May 26th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The User Charges Task Force was co-chaired by James Stewart, of Frank B. Hall and Company, Inc. of New York; and Eugene Sullivan, chairman and chief executive officer of the Borden Corporation of New York.

Overall findings from this task force include pricing government products and services at market prices, and establishing a centralized service and product planning function in departments and agencies, which will help recommend regular price adjustments and program improvements.

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The report also recommends that statutory authority of collecting user fees be amended in order to overcome administration difficulties created by court interpretations.

Specifically, the report issued findings relating to the government's provision of recreation facilities; maintenance and construction of inland and coastal waterways; and inspection services.

Updating recreation and user fees in both the National Forest and National Park Service would increase revenues and help recover a greater percentage of operating expenses, according to the report.

Inconsistent government policies are cited by the task force as reasons for recommending an increase in user fees for the inland and coastal waterways. Presently, 97 percent of operating costs for locks, dams, etc. are paid for by U.S. taxpayers, as opposed to 100 percent user fee funding of the Highway and Land Transportation system.

The report also notes that users of electricity received from Power Marketing Administrations have received government benefit because the power is sold at rates designed only to recover operating, maintenance, and construction costs. The PPSSCC task force proposes improving the rate-making process and establishing user fees for the Federal Government to obtain funds without depriving users access to hydroelectric power.

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Increase in grazing fees for the Bureau of Land Management and the National Forest Service was also proposed.

The task force also addressed problems created by various interpretations of a Supreme Court decision in 1975 with regard to the Federal Communications Commission (FCC). The report states that because of the ruling, the FCC has not collected at least $240 million in fees that it could have, and proposes implementing a $5 million cost accounting system. This system would be used to establish a user fee schedule that meets requirements established by the Court and, despite the initial expense, would more than offset the cost of its implemention by the revenue it would generate.

"Of the three-year total of $10.2 billion in revenue enhancements, $1.2 billion are fully substantiated by adequate documentation, and another $9.0 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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Project Manager

James Clawson
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It is important that the recommendations in this Task Force Report be placed in perspective. They are the product of a survey that was performed by private sector executives and specialists whose services were volunteered -- primarily on a part-time basis. This Task Force faced the formidable task of bringing its expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full- or part-time employment.

The recommendations contained in this Report will result, if implemented, in real and significant revenue and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations. When special beneficiaries begin to pay for those goods and services received from the Government, a more equitable allocation of finite resources will occur.

We have sought to be realistic about the recommendations reported. It would be misleading for us to leave the impression that each and every recommendation is rooted in the research and analysis of the Task Force. Many of these issues are not new, and have been considered by various administrations at different times over the past years. Frequently, political pressure, economic conditions or other factors unrelated to the programs have prevented implementation.

The recommendations presented in this Report are worth serious consideration and implementation regardless of their original source -- whether it is the agency, a particular administration, the General Accounting Office, Congress or the Task Force. To present a realistic expectation of the recommendations reported, they have been grouped into three categories of "supportability" (based on management merits):

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.
- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully substantial or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.
- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations in the above categories, to assess more effectively the revenue generation that can be expected. This analysis permits summary estimates of firm, probable, and potential revenue.

The Report Recommendations -- An Assessment

Based on the above perspective and categories, an assessment of the reported recommendations is contained in the matrix on the following pages.

	CATEGORY/3-YEAR REVENUE OPPORTUNITIES ($ millions) I	II	III
General			
USER 1: User charges program management	*		
Recreation			
USER 2: Update the recreation user fee schedule of the Army Corp of Engineers	$ 56.6		
USER 3: Update the recreation user fee schedule of the National Forest Service	371.6		
USER 4: Update the recreation user fee schedule of the National Park Service	99.3		
Sales			
USER 5: Improve the rate-making process of Power Marketing Authorities		$ 4,542.9	
USER 6: Increase grazing fees for the Bureau of Land Management	76.1		
USER 7: Increase grazing fees for the National Forest Service	49.7		
USER 8: Recover fees from the free firewood program	63.6		
USER 9: Recover publication costs of Soil Conservation Service		27.4	
USER 10: Recover full-cost for foreign military sales		331.0	

* Issue not quantified.

	CATEGORY/3-YEAR REVENUE OPPORTUNITIES ($ millions)		
	I	II	III
Inspection and Grading			
USER 11: Update the fee schedule of the Agricultural Marketing Service	$ 29.4		
USER 12: Recover the costs for inspection and weighing services	6.1		
USER 13: Update the fee schedule for HUD housing inspections	1.3		
Regulatory and Licensing			
USER 14: Collect application fees for FCC services		$ 132.4	
USER 15: Recover regulatory service costs for FERC	76.8		
Special Services			
USER 16: Recover user fees for Coast Guard services		418.2	
USER 17: Recover the cost of providing FOI requests		231.7	
USER 18: Increase user fees for Customs services	363.5		
Transportation			
USER 19: Recover costs for Corps of Engineers services in deep draft harbors and channels		746.9	
USER 20: Update the user fee schedule for the nation's inland waterways		600.7	
USER 21: Establish a management information system and maintain current pricing in the Federal Highway Administration		$ 1,986.0	

	CATEGORY/3-YEAR REVENUE OPPORTUNITIES ($ millions) I	II	III
COMPENDIUM			
USER 22: The President should establish user charge program management as a priority for increased revenue generation as detailed in combined issues from released PPSS reports released as of May 16, 1983	$ 6041.2	$ 4458.9	$9.9
Total Revenue by Category	$ 7235.2	$13,476.1	$9.9

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CITING DELINQUENT TAXES AS CAUSE FOR CONCERN, REPORT RECOMMENDS IMPROVEMENTS AT THE DEPARTMENT OF TREASURY

WASHINGTON, June 30--Citing $23.2 billion in delinquent taxes and growing non-compliance with the tax system totaling over $100 billion as causes for concern, a report released today by the President's Private Sector Survey on Cost Control recommended improvements in internal operations and management which, if fully implemented, could result -- over a three year period -- in cost savings/revenue enhancements of $5.5 billion and accelerated revenues of $6.1 billlion.

These recommendations and others will now be considered on July 13th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Department of the Treasury task force was co-chaired by Alfred Brittain, chairman of the board of Bankers Trust Company of New York; William Donaldson, chairman of Donaldson Enterprises of New York; and John H. Filer, chairman and chief executive officer of Aetna Life and Casualty Company of Hartford, Connecticut.

(more)

Specific recommendations to alleviate the problem of delinquent taxes and non-compliance include: increased staffing based upon projected workload volumes, combining the taxpayer service and collection activities into one division, use of payroll deductions or automatic bank transfers in collecting all installment payments on delinquent taxes, prioritizing delinquent accounts for purposes of accelerated collection, and legislative approval of the expanded use of commercial credit bureau reports.

The report also recommends the establishment of a decentralized appellate tax board to expedite the resolution of small tax cases, which now occupy 40% of the Appeals Court's time, so as to allow accelerated collection on smaller cases and the dedication of scarce resources to high-dollar value cases.

In calling for improved collection techniques, the task force noted that the IRS is presently in the process of replacing its outdated computer system, which should provide three times more effective processing than present computers. At the same time, however, the report called for a comprehensive plan to coordinate the balancing of IRS service centers' workload with the implementation of this new equipment.

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Other recommendations contained in the report include a reduction in the number of IRS Service Centers which will be made possible as a result of updated computer operations, relocation of the Treasury Department minting functions, and changes in the process currently used for printing one dollar bills.

The report also recommends streamlining U.S. Customs operations and procedures and changes in the Bureau of Alcohol, Tobacco and Firearms (BATF).

Included in the report are recommendations for consolidating border functions (Customs and Immigration and Naturalization Service); transferring responsibility for criminal enforcement from BATF to the Secret Service (for firearms and explosives) and to Customs (alcohol and tobacco); reductions in Customs regions, districts, and ports and the streamlining of remaining facilities through the "Area Concept" of a lead and satellite structure; and continued emphasis on improved computerized support for Customs and BATF activities.

"Of the three-year total of $5.5 billion in savings, $2.0 billion are fully substantiated by adequate documentation, and another $3.5 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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Alfred Brittain, III
Chairman of the Board
Bankers Trust Company

Project Manager

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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

As the product of an unprecendented and wide-ranging survey performed by private sector executives and specialists, the recommendations in this Task Force report must be placed in perspective. Our volunteer staff had the formidable task of bringing their expertise to bear on complex Federal operations in the short span of a few months while holding down other full or part-time employment.

Despite these challenges -- most of which were anticipated at the outset -- valuable analysis and issue development were achieved. The recommendations contained in this Report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices financially support these Federal programs and operations.

We believe that the majority of our recommendations are fully substantiated. However, it would be misleading to allege that each and every recommendation is rooted in uniformly high levels of research, analysis, and substantiation. Various time limitations, business resources, and other constraints did not permit achievement of the desired uniformity objective.

We have evaluated, therefore, the "supportability" of the recommendations on their management merits and have grouped them into the following three categories.

- o Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.
- o Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the report, but all indications point to the desirability and defensibility of proceeding with their implementation.
- o Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit.

These category descriptions do not take into account political, social, or economic conditions that may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of firm, probable, and potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following page.

THREE-YEAR COST SAVINGS/REVENUE ENHANCEMENT/REVENUE ACCELERATION OPPORTUNITIES BY CATEGORY
($ millions)

Issue No.	Recommend. No.	Issue	I	II	III
TREAS 1		Collection of Delinquent Taxes			
	1-1	Improve staffing	2,000.0(RA) 721.6(S)		
	1-2	Add clerical support	605.3(RA)1/ 244.3(S)		
	1-3	Combine service and collection	15.6(S)		
	1-4	Improve collection techniques		230.0(RA) 76.1(S)	
TREAS 2		IRS Personnel Additions			
	2-1	Design and implement model2/	(0.8)(S)		
TREAS 3		Tax Court Backlog			
	3-1	Decentralize appellate board	3,310.0(RA) 683.0(S) (37.4)(S)		
TREAS 4		Functional Overlaps			
	4-1	Change organizational design		204.7(S)	
	4-2	Eliminate manual verification	32.3(S)		
	4-3	Reduce key verification	117.2(S)		
	4-4	Reduce manager administrative workload	3/		
TREAS 5		Utilization of ADP Capabilities			
	5-1	Reduce number of service centers	15.0(R) 96.6(S) (40.5)(S)		
	5-2	Develop systems planning	3/		
	5-3	Shift ADP responsibility	3/		
TREAS 6		Volunteer Service			
	6-1	Establish volunteer service	3/		
TREAS 7		Enhanced IRS Presence			
	7-1	Request additional staff years		2,736.7(R)	
	7-2	Reallocate funds to IRP		238.3(R)	
	7-3	Initiate legal changes	3/		
	7-4	Revise selection criteria	3/		
	7-5	Study compliance effect	3/		
	7-6	Enhance enforcement presence	3/		
		IRS Subtotal			
		Savings	1,831.9(S)	280.8(S)	
		Revenue	15.0(R)	2,975.0(R)	
		Revenue Acceleration	5,915.3(RA)	230.0(RA)	
		TOTAL	7,762.2	3,485.8	

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THREE-YEAR COST SAVINGS/REVENUE ENHANCEMENT/REVENUE ACCELERATION OPPORTUNITIES BY CATEGORY (CONT'D)
($ millions)

Issue No.	Recommend. No.	Issue	I	II	III
TREAS 8		Border Management			
	8-1 to 8-3	Consolidate inspection functions	13.5(S)		
TREAS 9		BATF Reorganization			
	9-1	Transfer criminal enforcement responsibility		28.8(S)	
	9-2	Reduce BATF staff and space		27.8(S)	
TREAS 10		Customs Procedures			
	10-1 and 10-2	Support ADP developmental work and implement ABI		83.5(S)	
	10-3 to 10-5	Initiate office automation	5.3(S)		
	10-6	Implement duty collection assessment	10.2(S)		
	10-7	Raise informal entry	10.2(S)		
	10-8	Adopt model seaport concept	10.5(S)		
TREAS 11		Customs Reorganization			
	11-1 to 11-3	Reduce number of locations	14.0(S)		
	11-4	Streamline districts and ports	10.3(S)		
	11-5 and 11-6	Centralize Appraisement and Administrative Centers	33.1(S)		
TREAS 12		BATF - Alocohol Tax Collection			
	12-1 and 12-2	Amend regulations and enforce collection		82.1(R) (0.2)(R)	
TREAS 13		BATF - Automation			0.8(S)
	13-1	Upgrade in-house computer			1.2(S)
	13-2	Complete DSP model and implement RECOMS			19.3(R)
		Enforcement and Operations Subtotal			
		Savings	107.1(S)	140.1(S)	2.0(S)
		Revenues	--	81.9(R)	19.3(R)
		TOTAL	107.1	222.0	21.3

THREE-YEAR COST SAVINGS/REVENUE ENHANCEMENT/REVENUE ACCELERATION OPPORTUNITIES BY CATEGORY (CONT'D)
($ millions)

Issue No.	Recommend. No.	Issue	I	II	III
TREAS 14		ORS: Management Reorganization			
	14-1	Reduce number of operating divisions	0.4(S)		
	14-2	Combine branches and eliminate one Deputy Director	0.3(S)		
TREAS 15	15-1	ORS: Improved Accountability	3/		
TREAS 16		ORS: Revise Compliance Procedures			
	16-1	Restructure Civil Rights Compliance Division operations	2.4(S)		
	16-2	Eliminate Public Participation Branch	0.8(S)		
TREAS 17		BEP: Offset Print Backs			
	17-1	Offset print back of $1 notes	3/		
TREAS 18		BEP: Common Federal Reserve Seal			
	18-1	Adopt a common seal	3/		
TREAS 19		BEP: Satellite Facility			
	19-1	Create a satellite facility	3/		
TREAS 20		MINT: Relocation			
	20-1	Transfer selected functions to Philadelphia	13.2(S) (0.4)(S)		
TREAS 21		MINT: Eliminate Strip Production			
	21-1	Keep strip operation closed	3.8(S)		
	21-2	Purchase coin blanks from private sector	3/		
		Domestic Finance/U.S. Treasurer Subtotal			
		Savings	20.5(S)		
		Revenue	--		
		TOTAL	20.5(S)		

THREE-YEAR SAVINGS/REVENUE ENHANCEMENT/REVENUE ACCELERATION OPPORTUNITIES BY CATEGORY (CONT'D)
($ millions)

Issue No.	Recommend. No.	Issue	I	II	III
TREAS 22		Book Entry Securities			
	22-1 to 22-4	Automate functions in Federal Reserve System 3/			
TREAS 23		Space Consolidation			
	23-1	Consolidate the BGFO	(13.5)(S)4/		
		Fiscal Services Subtotal			
		Savings	(13.5)	--	--
		Revenues	--	--	--
		TOTAL	(13.5)	--	
		Treasury Total			
		Savings	$1,946.0(S)	$420.9(S)	$2.0(S)
		Revenue	$15.0(R)	$3,056.9(R)	$19.3(R)
		Revenue Acceleration	$5,915.3(RA)	230.0(RA)	--

1/ The savings and revenue shown do not represent dollars that can be cut from budgets or new revenues to be expected. Rather, they are accelerated revenues, future interest costs that can be avoided and revenue losses that need not occur.

2/ Savings for this issue are included in Issues TREAS 1 and 7 although implementation costs are shown here.

3/ Savings cannot be estimated.

4/ Savings turn positive in sixth year.

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BUSINESS GROUP OUTLINES UP TO $4.4 BILLION IN SAVINGS AND REVENUE GENERATION POTENTIAL FOR DOT

WASHINGTON, April 18--A savings and revenue enhancement plan of up to $4.4 billion was outlined today for the Department of Transportation (DOT) by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC). These recommendations will be considered on May 2nd by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co. of New York, for possible submission to the President.

The PPSSCC DOT Task Force was co-chaired by Coy G. Eklund, chairman and chief executive officer of Equitable Life Assurance Society of the United States in New York; Thomas G. Pownall, president and chief executive officer of Martin Marietta

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Corporation of Bethesda, Maryland; William H. Spoor, chairman and chief executive officer of Pillsbury Co. of Minneapolis; Terry Townsend, chief executive officer of Texas Motor Transportation Association of Austin, Texas; and L. Stanton Williams, chairman and chief executive officer of PPG Industries of Pittsburgh.

The major findings of the DOT Task Force are to consolidate the safety functions of the Federal Highway Administration (FHWA), Federal Railroad Administration (FRA), Urban Mass Transportation Administration (UMTA), and National Highway Traffic Safety Administration (NHTSA) into one Land Transportation Safety Administration (LTSA).

The report also suggests consolidating FHWA and UMTA into one Surface Transportation System.

The task force report also proposed consolidating Federal Aviation Administration facility locations because of newly-emerging technologies and changes in aviation patterns.

Implementing a schedule of Coast Guard user fees to recoup all operating and support costs associated with providing services to marine users was also proposed by the study group.

Approximately $2.7 billion of the total $4.5 billion is recommended savings with another $1.7 billion suggested for revenue enhancements.

(more)

"Of the three-year total of $4.4 billion in savings and revenue enhancements, $2.9 billion are fully supported by adequate documentation, and another $1.5 billion are partially supported," Mr. Grace said. Mr. Grace also said another $137 million in savings and revenue generation opportunities require further study.

Mr. Grace cautioned that in all of the PPSSCC work estimated savings and revenue enhancements are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT FOR THE DEPARTMENT OF TRANSPORTATION

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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

It is important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed by private sector executives and specialists whose services were volunterred. This Task Force had the formidable charge of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months.

Despite these difficult and perplexing challenges, a great deal of valuable work was performed. The recommendations contained in this Report will result, if implemented, in significant savings.

We have sought to be realistic about the recommendations. The great majority of them, we believe, are fully substantiated. However, it would be misleading for us to leave the impression that each and every recommendation is rooted in a uniformly high level of research and analysis. The press of time did not always permit the luxury of achieving this desired uniformity.

To place the recommendations in a perspective that emphasizes their "supportability", we have grouped them into three categories.

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.

- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to a variety of constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

We recognize that changing political, social or economic conditions could alter the supportability of these recommendations. This categorization does, however, permit us to assess the likelihood of our recommendations being adopted in the very near future.

The following table graphically displays each issue and its recommendations by the category into which it best fits, and the associated cost savings or revenue generation.

[Table I on following page]

THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

Issue/recommendations			3-year Savings (S)/ Revenue (R) ($ millions) I	II	III
TRANS	1:	Research and Development	$ 284.1 (S)		
TRANS	2:	Cash Management	144.4 (S)		
TRANS	3:	Grant Management & Control	163.5 (S)		
TRANS	4:	Regional Office and Support Expenses	45.0 (S)		
TRANS	5:	Automated Data Processing	46.4 (S)		
TRANS	6:	Federal Highway Program Categories		983.1 (S)	
TRANS	7:	Federal Highway Regulatory Requirements	223.4 (S)		
TRANS	8:	Reorganization of Land Modes Operations			71.3 (S)
TRANS	9:	Urban Mass Transportation Requirement Review			65.6 (S)
TRANS	10:	Consolidate FRA Safety and R&D functions and collect user fees		3.4 (S) 78.5 (R)	
TRANS	11:	Reorganize Land Safety Functions		14.9 (S)	
TRANS	12:	Grantee Land Acquisition		11.4 (S)	
TRANS	13:	Consolidate Federal Land Road Transportation Responsibilities		17.9 (S)	
TRANS	14:	Review Uniform Tire Quality Grading System	3.3 (S)		
TRANS	15:	FAA Organization and Staffing		445.4 (S)	
TRANS Or	16:	Closing Low-Volume Control Towers	150.9 (S)		
TRANS	17:	Metropolitan Washington Airports	57.5 (R)		
TRANS	18:	FAA Flight Service Station Consolidation	39.6 (S)		
TRANS	19:	Shifting Costs of Coast Guard services	1572.7 (R)		
TRANS	20:	Maritime Administration Subsidy Reform	75.4 (S)		
TRANS	21:	Reform of the Ship Financing Program	26.5 (R)		
TRANS	22:	Federal Funding for Marine-Related Education	29.5 (S)		
Total cost savings by category (S)			$1205.5 (S)	$1476.1	$136.9 (S
Total revenue generation by category (R)			1656.7 (R)	78.5	-
Total			$2862.2	$1554.6	$136.9

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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INTERNATIONAL AFFAIRS AGENCIES CAN SAVE $719 MILLION ACCORDING TO PRIVATE SECTOR SURVEY REPORT

WASHINGTON, May 16--The President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC) today released a task force report highlighting a three-year savings potential of $719 million for the Department of State, the Agency for International Development (AID) and the U.S. Information Agency (USIA).

These recommendations will be considered on May 26th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Department of State/USIA/AID Task Force report was co-chaired by J. Rawles Fulgham, executive director of Merrill Lynch Private Capital, Inc. of Dallas, and vice chairman (retired) Inter First Corp. and George L. Shinn, chairman and chief executive officer (retired) of First Boston Corporation of New York.

(more)

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The Task Force surveyed the international affairs agencies--the Department of State (State), Agency for International Development (AID) and U.S. Information Agency (USIA)--to identify opportunities for increased efficiency and reduced costs, to determine areas to enhance managerial accountability, to suggest managerial operating improvements and to pinpoint specific areas for further study.

Potential savings can be achieved by the State Department by revising certain provisions of the retirement system, including raising the retirement age and by improving refugee loan collection procedures. The report also suggests better positioning for foreign currency needs by establishing a foreign currency futures/forward desk to minimize risks in foreign currency fluctuations.

Recommendations for AID include eliminating burdensome project paperwork and increasing the interest rate on AID loans which have not paralleled Federal borrowing costs. Also, the report proposes enforcing the overseas assignment period of four yeas and obtaining relief from the Cargo Preference Act for AID sponsored shipments.

(more)

The report states that application of these business-like managerial skills and controls could significantly enhance the government process and can result in immediate quantifiable budgetary savings.

"Of the three-year total of $719 million in savings, $715 million are fully substantiated by adequate documentaion, and another $4 million are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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As the product of an unprecedented and wide-ranging survey performed in a political atmosphere by private sector executives and specialists, the recommendations in this Task Force Report must be placed in perspective. Our volunteer staff had the formidable task of bringing their expertise to bear on the complex Federal operations in the short span of a few months while holding down other full- or part-time employment.

Despite these challenges -- most of which were anticipated at the outset -- valuable analysis and issue development were achieved. The recommendations contained in this Report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices financially support these Federal programs and operations.

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We believe that the majority of our recommendations are fully substantiated. However, it would be misleading to allege that each and every recommendation is rooted in uniformly high level of research, analysis and substantiation. Various time limitations, business resources, and other constraints did not permit achievement of the desired uniformity objective.

We have evaluated, therefore, the "supportability" of the recommendations on their management merits and have grouped them into the following three categories.

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.
- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.
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Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptions do not take into account political, social or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of: (1) firm, (2) probable, and (3) potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the following matrix:

	3-year savings by category with savings/revenue/cash acceleration indicated		
	I	II	III
State 1:			
Foreign Service Personnel System			
o Use models to correct skewed distribution (STATE 1-1)	$42.4(S)		
o Review ranking of positions, realign personnel (STATE 1-2)	19.9(S)		
o Eliminate overcomplement employees (STATE 1-3)	24.0(S)		
o Redesign the performance evaluation system and train supervisory personnel (STATE 1-4)	--		
o Amend the FSA 1980 to expand definition of management official (STATE 1-5)	--		
o Improve recruiting and training (STATE 1-6)	--		

	3-year savings by category with savings/revenue/cash acceleration indicated		
	I	II	III
STATE 2:			
Disability System and Foreign Service Retirement			
o Increase retirement age (STATE 2-1)	$ 56.7(S)		
o Change the benefit formula (STATE 2-2)	33.9(S)		
STATE 3:			
Office of Foreign Buildings			
o Develop a real property management system (STATE 3-1)	--		
o Properly allocate operating and maintenance expenditures (STATE 3-2)	--		
o Expand cost accumulation report (STATE 3-3)	--		
o Consolidate fiscal authority (STATE 3-4)	--		
o Provide guidelines for identification of excess capacity (STATE 3-5)	--		
STATE 4:			
Purchase of Foreign Currencies			
o Develop an accounting system to gather foreign currency needs (STATE 4-1)	--		
o Establish foreign currency futures/forward desk (STATE 4-2)	17.1(S)		

	3-year savings by category with savings/revenue/cash acceleration indicated		
	I	II	III
o Hire staff and define functions of trading desk (STATE 4-3)	--		
STATE 5:			
Refugee Programs			
o Rectify the collection problem; require sponsor guarantee (STATE 5-1)	$ 55.9(CA) $ 11.7(S)		
o Improve monitoring program (STATE 5-2)		0.0(S)	
o Develop tracking and integrated data base (STATE 5-3)		(3.0)(S)	
STATE 6:			
Project Planning, Approval, and Monitoring Process			
o Increase the dollar value of block grants (STATE 6-1)	7.1(S)		
o Request Congress to return deobligation/reobligation authority to AID (STATE 6-2)	6.3(S)		
o Find additional ways to increase decentralization of authority (STATE 6-3)		7.1 (S)	
o Limit the time spent responding to Congress (STATE 6-4)	6.3(S)		
o Move to a two-year budget submission cycle (STATE 6-5)	6.0(S)		

	3-year savings by category with savings/revenue/cash acceleration indicated		
	I	II	III
STATE 7:			
Interest Rates on AID Loans			
o Establish a base lending rate (STATE 7-1)	360.0(R)		
o Establish a uniform set of criteria for the determination of loan terms (STATE 7-2)	--		
STATE 8:			
Foreign Service Rotation Policy			
o Enforce four-year tours (STATE 8-1)	$ 5.3(S)		
STATE 9:			
Cargo Preference			
o Seek relief from cargo preference for AID-sponsored shipments (STATE 9-1)	118.5(S)		
STATE 10:			
Evaluative Procedures			
o Establish analytical resource capability (STATE 10-1)	--		
o Defer expenditure for planned expansions (STATE 10-2)	--		
Total cost savings (S)	$355.2	$4.1	--
Total revenue generation (R)	$360.0	--	--
Total cash acceleration (CA)	$ 55.9		

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BUSINESS GROUP IDENTIFIES UP TO $54 BILLION IN CASH ACCELERATION OPPORTUNITIES AND $25 BILLION IN SAVINGS AND REVENUE ENHANCEMENTS IN GOVERNMENT THROUGH BETTER ASSET MANAGEMENT FINANCIAL Asset Management

WASHINGTON, April 18--The President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC) today suggested possible economic benefits for the U. S. government through better asset management, which can total approximately $25 billion over three years.

Additionally, the report states that, over three years, an estimated $54 billion can be placed in the hands of the government more quickly by adopting better cash management techniques. This would have a one-time cash flow impact which could be applied to reducing the Federal deficit in the first year of implementation only.

These recommendations will be considered on May 2nd by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co. of New York, for possible submission to the President.

(more)

The PPSSCC Financial Asset Management Task Force was co-chaired by Edward W. Duffy, chairman and chief executive officer of Marine Midland Bank of Buffalo, New York; Wilson Johnson, president of the National Federation of Independent Businesses in San Mateo, California; and Edward B. Rust, president of State Farm and Casualty in Bloomington, Illinois.

The task force divided its efforts for improving fiscal management activities into three categories: Cash Management, loan making and debt collection.

Cash management recommendations include slowing payments to contractors by the Department of Defense; speeding the collection and deposit of government receipts; and utilizing such management tools as electronic fund transfers, automatic account withdrawal, and controlling advances by letters of credit. These recommendations would result in better utilization of available funds and reduce interest costs to the Government.

According to the task force report, debt collection improvement could be accomplished by institutionalizing credit management in each agency, purchasing modern automated data processing equipment, improving debt collection efforts to speed collections, using collection agencies and credit bureaus to supplement the collection and credit granting efforts of the Government, and charging interest and penalties on delinquent debt.

(more)

The report suggested that Government loans should be made less attractive to borrowers by increasing rates and fees similar to those of private lenders, implementing late charges and penalties to improve collections, and raising interest rates to market levels.

"Of the three-year total of $25 billion in savings, $17.7 billion are fully supported by adequate documentation, and another $6.9 billion are partially supported," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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REPORT RECOMMENDATIONS -- A PERSPECTIVE

It is vitally important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed in a politically-charged atmosphere by private sector executives and specialists whose services were volunteered -- often on a part-time basis. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full or part-time employment.

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Despite these difficult and perplexing challenges -- all of which were anticipated at the onset -- a great deal of valuable work was performed. The recommendations contained in this Report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

We have sought to be realistic about the recommendations reported. The great majority of them, we believe, are fully substantiated. However, it would be misleading for us to leave the impression that each and every recommendation is rooted in a uniformly high level of research, analysis, and substantiation. The press of time, other business commitments, lack of adequate resources, and other constraints did not always permit the luxury of achieving this desired uniformity.

As a result, and to promote a realistic expectation of recommendations reported, we have evaluated the "supportability" of the recommendations on their management merits and have grouped them into three categories.

- Catetgory I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

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These category descriptors do not take into account political, social or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of: (1) firm, (2) probable, and (3) potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the following matrix:

Categorization of Savings	Category/3 Year Cash Acceleration/Savings/ Revenue Opportunities ($ millions) I $	II $	III $
A. Cash Management			
Asset 1: Revise Department of Defense progress payment rates.	15,355 (CA) 2,532 (S)		
Asset 2: Speed the collection and deposit of Government receipts.	6,705 (CA) 2,255 (S)		
Asset 3: Increase the use of electronic funds transfers and other means to improve cash collections.	6,437 (CA) 1,606 (S)		
Asset 4: Utilize payment by due date and letters of credit for checks paid to slow disbursements.	3,626 (CA) 1,103 (R) 1,618 (S)		

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	Category/3 Year Cash Acceleration/Savings/ Revenue Opportunities ($ millions)		
	I	II	III
	$	$	$
Asset 5: Expedite the disposal of Commodity Credit Corporation inventory by increasing flexibility of P.L. 480 and designate a portion of food stamps for dairy products.		1,348 (CA) 694 (S)	
Asset 6: Establish direct deposit/electronic funds transfer incentives for benefit and payroll check disbursements.	1,922 (CA) 636 (S)		
Asset 7: Improve the monitoring and use of Government banking fund and supervised accounts to obtain interest or to reduce borrowing costs.	1,016 (CA) 337 (S)		
Asset 8: Modify the budget system to provide agencies with financial incentives to improve cash management and forecast.	*		
Asset 9: Provide agencies with administrative incentives and controls to perform cash management.	*		
Asset 10: Make greater use of individual incentives to improve cash flow forecasting and cash management.	*		
B. Direct Government Lending			
Asset 11: Require fees for loan origination, servicing and delinquency.	2,882 (R)		
Asset 12: Improve the loan process in the granting, servicing and collecting of direct loans.	5,572 (CA) 1,010 (S)		
Asset 13: Encourage private lenders to a larger participation of loans where conditions are commercially acceptable.			182 (R) 3 (S) 21 (CA)

	Category/3 Year Cash Acceleration/Savings/Revenue Opportunities ($ millions)		
	I $	II $	III $
<u>Asset 14</u>: Reduce loans in the Rural Electrification Administration and Export-Import Bank as these could be made in the private sector.		15 (R) 6 (S)	
<u>Asset 15</u>: Raise loan interest rates to market levels.		2,371 (R)	
<u>Asset 16</u>: State acceptable maximum default levels in direct loan programs to monitor loan delinquencies.	626 (CA) 137 (S)		
<u>Asset 17</u>: Establish termination dates for direct loan programs when legislation is implemented.			

C. <u>Guaranteed Government Lending</u>

	I	II	III
<u>Asset 18</u>: Gradually phase out Farmers Home Administration and Small Business Administration direct loans to guaranteed ones.		1,724 (R) 102 (S) 76 (CA)	
<u>Asset 19</u>: Increase the Guaranteed Student Loan origination fee.		1,572 (R)	
<u>Asset 20</u>: Establish certified lender programs to save processing costs.		219 (S)	
<u>Asset 21</u>: Structure guarantee programs to encourage the private sector to assume a larger share of risk.	84 (R) 66 (CA) 10 (S)		
<u>Asset 22</u>: Reduce Federal Housing Administration role in mortgage insurance to only the subsidized ones.			
<u>Asset 23</u>: Improve budget information to show the present value of expected future cost of loan guarantees.			

	Category/3 Year Cash Acceleration/Savings Revenue Opportunities ($ millions) I $	II $	III $
Asset 24: Reduce interest rate subsidies in Federal credit programs to increase productivity and economic efficiency.	*		
Asset 25: Implement credit elsewhere and credit worthiness tests in all Federal guarantee programs.	*		
D. Debt Collection			
Asset 26: Improve debt collection efforts to speed collections.	8,100 (CA) 1,191 (S)		
Asset 27: Offset debts to the Government against Internal Revenue Service tax refunds.	1,930 (CA) 397 (S)		
Asset 28: Use collection agencies and credit bureaus to supplement the collection and credit granting efforts of the Government.	1,489 (CA) 307 (S)		
Asset 29: Change interest and penalties on delinquent debt.	1,085 (R)		
Asset 30: Dispose of repossessed property more quickly.	180 (CA) 37 (S)		
E. Government Securities			
Asset 31: Reflect the activity of the Federal Financing Bank in the Unified Budget total.	484 (S)		
Asset 32: Discontinue issuing securities in bearer and registered form.	23 (S)		
Asset 33: Use electronic funds transfer to pay interest on Treasury securities.	5 (S)		

	Category/3 Year Cash Acceleration/Savings/ Revenue Opportunities ($ millions)		
	I $	II $	III $
Asset 34: Develop a Government-wide standard financial and accounting management system.	*		
Asset 35: Provide agencies and departments with improved financial asset management training programs.	*		
	------	------	
Total revenue generation by category (R)	$ 5,154	$ 5,864	
Total cost savings by category (S)	$12,585	$ 1,024	
Total amount of cash acceleration by category (CA)	$53,024	$ 1,445	

* Management improvement, no quantification available.

(CA) It is important to note that the amounts reported as cash acceleration in the Issue and Recommendations Summaries which follow will have a one-time only impact on reducing the Federal deficit in year one. Absent of an increased level of acceleration in year two, the Federal deficit will return to the year one balance, prior to any reduction of accelerations.

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REAGAN BUSINESS PANEL OUTLINES MORE THAN $1 BILLION SAVINGS AND REVENUE ENHANCEMENT PLAN FOR INTERIOR DEPARTMENT

WASHINGTON, April 18--The Department of Interior can save approximately $265 million over a three-year period and can achieve revenue increases of more than $1 billion according to a task force report made public today by the President's Private Sector Survey on Cost Control (PPSSCC). These recommendations will be considered on May 2nd by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co. of New York, for possible submission to the President.

The PPSSCC task force on the Department of Interior was co-chaired by George Anderson, chief executive officer of Anderson, ZurMuehlen and Company of Helena, Montana; Morley Thompson, president of Baldwin-United Corporation of Cincinnati, Ohio; and Hays Watkins, chairman and chief executive officer of CSX Corporation of Richmond, Virginia.

(more)

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More than $260 million in savings are recommended by the Interior Task Force, including placing land-sale revenue in the general fund, and leasing rangelands under long-term agreements of 99 years, which would shift the maintenance, management and improvement of the rangelands to the permit holder.

In addition to the savings recommendations, the task force also recommended more than $1 billion in revenue enhancements, to:

1. Sell excess public lands (excluding parks, wilderness areas, environmentally sensitive areas, and similar lands) which would raise $900 million while only accounting for less than 1 percent of lands under the control of the Bureau of Land Management and about .5 percent of all public domain lands.

2. Increase grazing fees to fair market value.

3. Adopt pending legislation to increase entry fees at National Parks.

4. Improve the concessioner competition and adopt the Visitor Facility Fund Bill

"Of the three year total of more than $1 billion in savings and revenue enhancements, $241 million are fully supported by adequate documentation and another $1 billion are partially supported," Mr. Grace said. Mr.Grace also said another $1.9 million in savings and revenue generation opportunities over a three-year period require further study.

Grace cautioned that in all of the PPSSCC work estimated savings and revenue enhancements are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

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o Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social, or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of: (1) firm, (2) probable, and (3) potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the following matrix:

Categorization of Savings

	Category/3 Year Savings/ Revenue Opportunities ($ thousands)		
	I	II	III
INTERIOR 1-1: Place land sales revenues in the General Fund	$146,000(S)	$900,000(R)	$ --
INTERIOR 1-2: Reexamine land use planning and sales regulations	1/		
INTERIOR 1-3: Implement AMP	1/		
INTERIOR 2-1: Evaluate the transfer of rangeland to private ownership		87,300(S)	
INTERIOR 2-2: Increase grazing fees to FMV		19,500(R)	

Categorization of Savings

		Category/3 Year Savings/ Revenue Opportunities ($ thousands) I	II	III
INTERIOR 2-3:	Consolidate Environmental Impact Statements	$--	600(S)	$--
INTERIOR 2-4:	BASE PILT on tax equivalency			1/
INTERIOR 3-1:	Combine administrative functions and expand jurisdictional transfers		1/	
INTERIOR 4-1:	Adopt pending legislation	66,000(R)		
INTERIOR 4-2:	Accelerate and expand revenue actions		33,000(R)	
INTERIOR 4-3:	Implement administrative management techniques			1/
INTERIOR 5-1:	Improve concessioner competition			1,900(R)
INTERIOR 5-2:	Strengthen the Office of Concessioner Management			1/
INTERIOR 5-3:	Adopt the Visitor Facility Fund Bill	3,000(R)		
INTERIOR 6-1:	Coordinate and consolidate OCS permitting		3,476(S)	
INTERIOR 6-2:	Abolish certain reporting to Congress		927(S)	

Categorization of Savings

	Category/3 Year Savings/ Revenue Opportunities ($ thousands) I	II	III
INTERIOR 6-3: Eliminate Congressional approval of OCS refunds	$ --	86(S)	$ --
INTERIOR 6-4: Modify production rate setting requirments		434(S)	
INTERIOR 7-1: Hold back final grant and contract payments	3,300(S)		
INTERIOR 7-2: Enhance the IG/MIS		1/	
INTERIOR 7-3: Fill the position of Chief, Division of Financial Assistance	(229)(S)		
INTERIOR 8-1: Implement a block grant program in FWS			1/
INTERIOR 8-2: Review OSM block grant program			1/
INTERIOR 9-1: Test Use of TFCS for collection of bonus deposits	3,655(S)		
INTERIOR 9-2: Implement use of TFCS and lock boxes for royalty payments	15,278(S)		
INTERIOR 9-3: Collect AML and lottery fees and rents through TFCS and lock boxes	2,903(S)		

Categorization of Savings

	Category/3 Year Savings/ Revenue Opportunities ($ thousands)		
	I	II	III
INTERIOR 9-4: Enforce LOC regulations	$1,494(S)	$ --	$ --
TOTAL COST SAVING(S) BY CATEGORY 2/	$172,401	$ 92,823	$ -0-
TOTAL REVENUE GENERATION (R) BY CATEGORY	$ 69,000	$952,500	$1,900

1/ Indicates a recommendation for which no dollar savings or revenues are estimated.

2/ Category totals are based on minimum estimated amounts presented in the "Summary List of Recommendations and Savings." If maximum amounts were used, the savings estimate would increase by $60.1 million.

(R)=revenues; (S)=savings

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FEDERAL GOVERNMENT CAN SAVE AN ESTIMATED $20 BILLION OVER THREE YEARS BY IMPROVING PROCUREMENT METHODS ACCORDING TO SURVEY

WASHINGTON, JUNE 3 -- The Federal Government can achieve cost savings of $20.3 billion over three years by improving its burdensome and costly procurement methods according to a Task Force Report released by The President's Private Sector Survey on Cost Control.

These recommendations will be considered on June 13th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W.R. Grace & Co., for possible submission to the President.

The Procurement Task Force was co-chaired by Willard C. Butcher, chairman of Chase Manhattan Bank of New York; Edward S. Finkelstein, chairman and chief executive officer of Macy's of New York; and Clifton Garvin, chief executive officer of Exxon Corporation of New York.

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Included in the $20.3 billion three-year savings is a $3.4 billion savings for multi-year contracting (MYC). MYC is the contracting for goods and/or services that take more than one budget year to complete. MYC has been limited by:

- o Complex budgetary procedures.
- o A contract cancellation recovery amount of $100 million.
- o Congressional review of all MYC candidates.
- o A restriction to "non-commercial items."

As it relates to the Department of Defense, only a few major weapons systems have been approved for MYC. However, the Task Force identified some thirty additional major weapons systems for FY 1984 through FY 1988 meeting the MYC criteria and offering annual cost savings of about $1.6 billion in the form of lower weapons costs.

To realize these cost savings, the Task Force recommends that:

- o MYC be expanded throughout the Federal Government.
- o A focal point be established within the Office of the

Secretary of Defense to collect data and review, advocate and monitor the MYC initiatives.

- o Budget MYC procedures be simplified.

In addition to this central issue, the Procurement Task Force recommends other cost saving opportunities totaling about $16.9 billion over three years. These include better methods for:

- o Planning, contracting, managing, cost estimating and scheduling for weapons acquisitions ($7.8 billion over three years).

- o Managing inventories by using economic order quantities, obtaining better data by taking physical inventories, and by improving base support services ($4.5 billion one time cost savings plus $1.6 billion savings over three years).

- o Realizing increased efficiencies in procurement, including separation of socio-economic programs from procurement ($3 billion over three years).

Additionally, the Task Force urged the implementation of the Uniform Federal Procurement System designed to unify Government procurement policies and to streamline the process. It also

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proposed that the acquisition and distribution responsibilities of the General Services Administration (GSA) be enhanced by mandating that most civilian agencies utilize GSA.

Certain efficiency methods, such as expanding reliance on the private sector for goods and services, implementing advances in automated data processing, were also suggested by the Task Force as cost savings methods.

"Of the three-year total of $20.3 billion in savings, $19.5 billion are fully substantiated by adequate documentation, and another $.8 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

-END-

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REAGAN BUSINESS PANEL OUTLINES $2.4 BILLION IN SAVINGS BY IMPROVING GOVERNMENT PROPERTY MANAGEMENT PROCEDURES

WASHINGTON, May 6--The President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC) today outlined a three-year cost-savings plan totalling nearly $2.4 billion by improving the government's procedures for managing its property.

These recommendations will be considered on May 17th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Real Property Management Task Force was co-chaired by Robert A. Georgine, president, Building and Construction Trades Department, AFL-CIO, in Washington, D.C.; Alexander Giacco, chairman, president and chief executive officer of Hercules Incorporated of Wilmington, Delaware; Donald P. Kelly, president and chief executive officer of Esmark, Inc. of Chicago; Donald B. Marron, chairman and chief executive officer of Paine Webber Jackson and Curtis of New York; and Nathan Shappell, chairman of Shappell Industries of Beverly Hills, California.

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A major problem addressed in the report was the Federal Government's lack of cost-consciousness in regard to property management functions, particularly in areas of energy-management, processing of building leases, and maintenance of property. Comparative costs in these areas of the government and the private sector showed that the government consistently pays more for its services.

The Task Force Report recommends the implementation of an Energy Management Control System (EMCS) in order to minimize the total energy usage by the government. The report also noted that the General Services Administration's Public Building Service (PBS) and the Department of Defense could take advantage of the EMCS to immediately reduce their energy costs.

The report also notes that studies required to determine the most cost effective methods are too rigid, and that managers should be given more leeway in making such determinations without incurring the costs of formal studies.

The Task Force also determined that minimum-wage requirements for Federal service contracts have seriously limited cost-saving possibilities. Many wage scales under federal janitorial service contracts are more than 20 percent above commercial rates, because the established government rate approaches the union rate for the area.

(more)

"Of the three-year total of $2.4 billion in savings and revenue enhancements, $2.3 billion is fully substantiated by adequate documentation, and another $62 million is partially substantiated," Mr. Grace said.

The Real Property Management Task Force also made an additional $231 million in cash acceleration recommendations, which would result from the quick disposal of excess government property.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings and revenue enhancements are more of a "planning" quality and not of a precise "budget" quality.

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TASK FORCE REVIEWING PERSONNEL REVEALS NEARLY $40 BILLION WORTH OF SAVINGS POTENTIAL

WASHINGTON, April 5 -- The President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC) today made public a task force report focusing on Personnel Management containing proposed cost savings, over three years, of nearly $40 billion. These recommendation will be considered on April 15th by a Subcommittee of the Survey's Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co. of New York, for possible submission to the President.

The PPSSCC Personnel Management Task Force was co-chaired by Robert Hatfield, president of New York Hospital; Donald Keough, president of Coca-Cola Company of Atlanta; and John A. Puelicher, chairman and chief executive officer of Marshall and Ilsely Corp. of Milwaukee.

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"Of the three-year total of almost $40 billion of recommended savings, $35 billion are fully supported by adequate documentation and another $3.5 billion are partially supported," Mr. Grace said. He also noted that $10.5 billion in savings over a three-year period require further study.

Mr. Grace cautioned that in all of the PPSSCC work estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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PRESIDENTIAL ADVISORY PANEL RECOMMENDS FUNDAMENTAL CHANGES IN THE FEDERAL MANAGEMENT SYSTEM

WASHINGTON, June 3--Citing serious structural and procedural problems in Executive Branch management processes, organization, information flow, budgeting, planning, and evaluation procedures, the President's Private Sector Survey on Cost Control (PPSSCC) today recommended fundamental changes in the management of the Executive Branch.

Noting that the need for effective management in the Federal Government is dramatized by its sheer size and complexity -- Federal outlays exceed $800 billion and cash flow exceeds $1.5 trillion annually -- the Task Force recommends that an Office of Federal Management (OFM) be established in the Executive Office of the President. This newly created office will be responsible for the budget process and assume a strong management role in finance, human resources, administrative services, and management improvements.

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These recommendations will be considered on June 13th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, Chairman of W. R. Grace & Co., for possible submission to the President.

The Federal Management Systems Task Force was co-chaired by Joseph Connor, senior partner of Price Waterhouse of New York; Harry E. Figgie, chairman and chief executive officer of Figgie International, Inc. of Willoughby, Ohio; John E. Fisher, chairman of Nationwide Insurance Co. of Columbus, Ohio; Dan W. Lufkin, chairman of the finance committee of Columbia Pictures Industries, Inc. of New York; and J. Paul Sticht, chairman of R. J. Reynolds Industries, Inc. of Winston-Salem, North Carolina.

Presently, responsibilities for developing and implementing administrative processes across Government agencies are not clearly assigned. For example, three agencies -- the Office of Management and Budget, the Office of Personnel Management, and the General Services Administration -- are responsible for personnel, financial management, budget, property, and other administrative functions. Duplications, conflicts, and blurred lines of authority among the various units in the Executive Branch abound, resulting in inconsistent application of policies, major gaps, and the development of inadequate and costly mangement systems.

Significantly, there is also an absence of direction and coordination in key areas. For example, even though Federal outlays exceed $800 billion and cash flow exceeds $1.5 trillion a year, no agency is accountable for developing and coordinating financial management policies. This has led to significant difficulties in establishing and executing effective procedures for cash management, debt and receivable collections, inventory, and other asset management and financial reporting. Within the newly-created OFM, the Task Force recommends a Chief Financial Officer to direct and coordinate the Federal Government's accounting and financial reporting activities. This function would consolidate the accounting and reporting activities of the Treasury Department, OMB, and GSA. Under the new system, GSA and OPM would report directly to the new OFM for policy direction.

Because of the rapid turnover of key executives, a condition endemic to the political process, government functions lack continuity of management. Key appointed positions turn over every 18 to 24 months. It is not possible to implement and sustain meaningful management improvement in an environment characterized by persistent changes in management. The Task Force proposes that key OFM officials be appointed on a long-term basis and have strong mangement backgrounds. It further recommends a new "contractual" approach for the second tier of OFM officials to increase the potential for management continuity and to attract and retain qualified individuals.

The Task Force found that in virtually all administrative areas -- payroll, personnel, accounting, and asset management for example -- agencies have developed independent information systems and related procedures, taking little advantage of the experience and work of other departments and agencies. Current methods of development and operation are inefficient, often counter-productive, and very costly. This has resulted in the lack of common or compatible data across departments and agencies, leaving the senior levels of Government without timely, compatible, and accurate management information. The Task Force recommends that OFM direct the replacement of agency-unique automated adminstrative systems with common systems.

With regard to improving the budget and planning process, the Task Force recommends, for a more efficient and effective process, the adoption of a new government-wide capital budgeting system, strengthening the budget process to enhance its capability to improve government-wide management, conducting more vigorous and systematic evaluation of Federal programs and studying the feasibility of adopting a biennial budget process to provide more consideraion of long-term management needs.

As opposed to other PPSSCC Task Force Reports, which include savings estimates, savings in this Report are not quantified, since the Report recommendations are directed at establishing the necessary strategy, structure, systems, and people to "fix" the causes of many of the problems cited in other Task Force Reports.

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NAVY DEPARTMENT CAN YIELD $7.2 BILLION IN SAVINGS OVER THREE YEARS ACCORDING TO PRESIDENTIAL PANEL

WASHINGTON, June 30--By improving its weapons system acquisition processes and management of its supply and inventory, the Department of the Navy can achieve cost savings of more than $7 billion over three years, without diminishment of the defense program, according to a report released today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC).

Although some of the recommendations would take several years for full savings to be realized, nearly all of them could be implemented under the existing authority of the Department of the Navy. In addition to identifying areas for potential savings, the task force has identified numerous opportunities for increasing operating efficiency where savings cannot be specifically quantified.

These recommendations will be considered on July 13th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

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The Department of the Navy task force was co-chaired by Nicholas T. Camicia, chairman and chief executive officer of The Pittston Company of Greenwich, Connecticut; Maurice R. Greenberg, president and chief executive officer of American International Group, Inc. of New York; Stanley Hiller, chairman of Hiller Investment of Menlo Park, California; and Thomas M. Macioce, president and chief executive officer of Allied Stores of New York.

To improve the weapons acquisition process, the report recommends installing a system of dual sourcing--maintaining at least two competitive sources during the entire production life of the weapons systems programs.

Acknowledging complexities involved in establishing dual sourcing, the report notes that the Office of the Secretary of Defense should provide program managers with detailed guidance on how to select dual source candidates and prepare the necessary cost analysis.

The report also notes that the Secretary of the Navy should conduct a "rigorous" review of current development contracts with a view to increasing competition during the production phase and that the Secretary require all future programs to undergo a dual-sourcing analysis as part of a program acquisition strategy and again prior to each major decision.

With regard to improving productivity of contractors of major weapons systems, the report fully supports the Department

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of Defense Industrial Modernization Incentives Program (IMIP), which is designed to encourage "increased contractor capital investment to enhance productivity." In addition, the report recommends adopting various private-sector cost accounting standards to determine the service life of an asset and its depreciation.

The report also outlined deficiencies in the Navy's supply and storage operations, particularly noting, for example, that more than a $125 million inventory of spare parts stowed aboard a carrier is managed by personnel using often obsolete computers. Onboard physical distribution systems frequently malfunction, causing seamen to have to perform distribution functions that are performed much more efficiently when automated.

Inventory control problems were also identified at Navy Supply Centers which have poor security, receiving, and shipping procedures. The two major Navy Inventory Control Points, with ship and aviation parts, operate with 15-year old computer systems which are out of date and incapable of supporting their critical operations.

To alleviate some of these problems, the PPSSCC task force recommended that the Navy should intensify its efforts to modernize inventory management-related computers. It also questioned whether brief two-year tours of duty are adequate for officers who must manage these complex operations.

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Specific inventory improvement procedures recommended by the task force include: employment of word processors and other modern equipment at Inventory Control Points, including those on aircraft carriers, to improve categorizing and record maintenance; improvement of security at Navy Supply Centers; and establishment a task force of line and staff officers to analyze the staffing and operations of a recent-class carrier to determine productivity, work pace, and comparative on-board work.

Increased use of multi-year procurement, as endorsed by the Secretary of Defense, should also be utilized. This would improve efficiencies in production processes and reduce the administrative burden of contracts.

To improve management practices in the Navy, the report recommends that the Office of the Secretary of Defense take steps to stabilize the Planning, Programming and Budgeting (PPB) process to maintain the integrity of plans and programs and the costs associated with them. Frequent revisions in guidance for planning and budgeting phases result in massive expenditures of staff effort to cope with the changes and, when the changes have programmatic effects, in disruption of delicately constructed balances among mission areas, readiness versus investment, and other important priorities. To increase the benefits to the Navy of the skills available from its most capable officers and enlisted personnel, the report recommends that a screening board be formed to conduct annual high potential assessments to select a pool of officers for special career management. The report

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also recommends that the Navy consider extending the tours of duty of high potential officers and enlisted personnel by one year.

"Of the three-year total of $7.2 billion in savings and revenue generation, $7.0 billion are fully substantiated by adequate documentation, and another $.2 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

As the product of an unprecendented and wide-ranging survey performed by private sector executives and specialists, the recommendations in this Task Force report must be placed in perspective. Our volunteer staff had the formidable task of bringing their expertise to bear on complex Federal operations in the short span of a few months while holding down other full or part-time employment.

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Despite these challenges -- most of which were anticipated at the outset -- valuable analysis and issue development were achieved. The recommendations contained in this report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices financially support these Federal programs and operations.

We believe that the majority of our recommendations are fully substantiated. However, it would be misleading to allege that each and every recommendation is rooted in a uniformly high level of research, analysis and substantiation. Various time limitations, business resources, and other constraints did not permit achievement of the desired uniformity objective.

We have evaluated, therefore, the "supportability" of the recommendations on their management merits and have grouped them into the following three categories.

- o Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- o Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the report, but all indications point to the desirability and defensibility of proceeding with their implementation.

- o Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit.

These category descriptions do not take into account political, social or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of firm, probable and potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following page.

ASSESSMENT OF REPORTED RECOMMENDATIONS

Issue Area & Recommendation			Category/3-year Savings (Millions) I-$	II-$	III-$
Navy -	1-1.	Limit number of programs put into production.	$3,000		
"	1-2.	Fund management reserve to deal with fiscal emergencies and reduce stretch-outs.	Not Estimable		
"	1-3.	Stabilize PPBS process.	Not Estimable		
"	1-4.	Establish two year budget cycle.			Not Estimable
"	2-1.	SecDef personally approve OSD recommended turndowns of Navy-proposed multi-year procurements.	Not Estimable		
"	2-2.	Seek more multi-year programs.	$750		
"	3-1.	Develop criteria for use in identifying dual-source candidates.	Not Estimable		
"	3-2.	Review current development contracts with view to increase competition during production phase.	$1,020		
"	3-3.	Require dual-sourcing analysis as part of future acquisition strategy.	Not Estimable		

Issue Area & Recommendation			Category/3-year Savings (Millions) I-$	II-$	III-$
Navy -	4-1.	Strongly support new DOD IMIP.	Not Estimable		
"	4-2.	Flexibly interpret CAS 409.	Not Estimable		
"	4-3.	Increase MTP funding.	$1,495		
"	5-1.	Introduce training needs during program initiation.	Not Estimable		
"	5-2.	Dovetail contractor factory training plans into Navy training systems.	Not Estimable		
"	5-3.	Standardize curriculum development.	Not Estimable		
"	5-4.	Assign project logistician manager as required by SECNAVINST 5000.1A.	Not Estimable		
"	5-5.	Emphasize manpower and training during ILS reviews of initial acquisition strategy.	Not Estimable		
"	6-1.	Develop comprehensive acquisition strategy for all significant weapons programs.	Not Estimable		
"	7-2 & 2.	Assign Supply Corps officers as ILS managers and program managers when ILS concerns are predominant during acquisition programs.	Not Estimable		
"	7-3.	Initiate ILS career development program.	Not Estimable		

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Issue Area & Recommendation			Category/3-year Savings (Millions) I-$	II-$	III-$
Navy -	8-1.	Extend officer tours at weapons stations, supply centers and inventory control points.			
"	8-2.	Limit funds transferred from logistics and provisioning to production.			
"	8-3.	Standardize components to maximum practical extent and limit "criticality" classification.			
"	8-4.	Limit paperwork sent to vendors.			
"	8-5.	Modify component purchasing procedures.			
"	8-6.	Improve work standard development and training at supply centers and weapons centers.			
"	8-7 & 8.	Upgrade computer systems at supply points and ICPs.			
"	8-9.	Establish computer back-up at ICPs.			
"	8-10.	Strengthen computer security.			
"	8-11.	Improve preventive maintenance of computers supporting supply and inventory management.			
"	8-12.	Establish computer system to monitor high value ordnance.			

NOTE: Recommendations 8-1 through 8-18 must be considered together as a total program. As such, 3-year savings of $200 million can be reflected under Category II. (Savings are projected to begin in 1986 and to approximate $1 billion over a 5-year period.)

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Issue Area & Recommendation			Category/3-year Savings (Millions) I-$	II-$	III-$
Navy -	8-13.	Develop and implement plan to have new computers on carriers and support ships for supply management.			
"	8-14.	Analyze staffing requirements at supply-oriented operations on carriers.			
"	8-15.	Analyze function and cost associated with Ships Manning Document.			
"	8-16.	Develop broad-based plan for improved supply/inventory management.			
"	8-17.	Establish team to implement proposed Project 85.			
"	8-18.	Study need for "Tiger Teams."			
"	9-1.	Consolidate reviews in ADP approval cycles.			
"	9-2.	Use more general purpose computers.			
"	9-3.	Fully utilize Delegated Procurement Authority.			
"	9-4.	Fully utilize "umbrella" contract.			
"	9-5.	Establish under VCNO an Ofc of Navy ADP Plans & Opns.			

<u>NOTE:</u> Recommendations 9-1 through 9-5 must be considered together as a total program. As such, 3-year savings of $180 million can be reflected under Category I. (Savings are projected to begin in 1986 and to average $500 million annually for a 10-year period.)

Issue Area & Recommendation			Category/3-year Savings (Millions) I-$	II-$	III-$
Navy -	10-1.	Extend time between NARF overhauls.			
"	10-2.	Review requirement of depot level work	$105		
"	10-3.	Accomplish interim aircraft inspections at organizational level by NARF teams.			
"	10-4.	Set budgetary goals for maintenance costs.			
"	11-1.	Give type commanders responsibility for in-service life-cycle AC maintenance management.	$360		
"	11-2.	Provide NAVAIR & OPNAV with performance data.			
"	11-3.	Involve fleet maintenance managers in design efforts.			
"	12-1.	Reduce NARF technical support staff.	$30		
"	13-1.	Use engine performance monitoring techniques.			
"	13-2.	Assure proper documents accompany components to NARF.			
"	13-3.	Assign qualified officers to NARFs.			
"	13-4.	Closely monitor and review repair requirements.			

NOTE: Recommendations 13-1 through 13-8 set forth a management improvement program representing 3-year Category I savings of approximately $15 million at the San Diego NARF alone. Similar savings are probable at the other NARFs.

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Issue Area & Recommendation			Category/3-year Savings (Millions) I-$	II-$	III-$
Navy -	13-5.	Assure daily reporting of man-hour and material expenditures.			
"	13-6.	Rate NARFs on efficiency, quality and cost controls.			
"	13-7.	Establish realistic work standards.			
"	13-8.	Identify excess and obsolete material.			
"	14-1.	Closely monitor currency balances.			
"	14-2.	Speed-up payroll direct deposit system implementation.	$20		
"	14-3.	Establish banking arrangements in Europe.			
"	15-1.	Establish lock box system for direct deposit use.	$10		
"	16-1.	Conduct biennial review of quality in each rate/rank.			
"	16-2.	Screen for high potential assessments.			
"	16-3.	Extend tours of high potential personnel by one year.			$25
"	16-4.	Establish special position to manage high potential program.			
"	16-5.	Lengthen tours of personnel detailers by 1-2 years.			
		Total Cost Savings	$6,985	$200	$25

C

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTI

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REAGAN BUSINESS PANEL OUTLINES EFFICIENCY RECOMMENDATIONS TO SAVE $5.9 BILLION IN GOVERNMENT PUBLIC ASSISTANCE PROGRAMS

WASHINGTON, May 16--The President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC) today issued a task force report--Low Income Standards--which outlined methods for the Federal Government to more efficiently run its public assistance programs and save approximately $5.9 billion over a three-year period.

These recommendations will be considered on May 26th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Low Income Standards Task Force was co-chaired by Bennett Archambault, chief executive officer of Stewart-Warner Corporation of Chicago; Richard J. Flamson, chairman and chief executive officer of Security Pacific National Bank of Los Angeles; Robert A. Schoellhorn, chairman and chief executive officer of Abbott Laboratories of North Chicago, Illinois; and Robert K. Wilmouth, president and chief executive officer of the National Futures Association of Chicago.

(more)

The task force report has recommended that various public assistance agencies standardize and target available data on recipients, promote automation and require states to adhere to specific guidelines. It also proposed that Congress allow more simplified administration of these programs by consolidating administration and releasing recipient data.

The report notes that implementation of these recommendations will lead to reductions in state administration costs and, therefore, a reduction in the Federal cost of reimbursement. The Low income Standards Task Force studied various public assistance programs, including the Medicaid program, Aid to Families with Dependent Children (AFDC), Low-Rent Public Housing, and Child Nutrition.

Citing that many needs-based programs have become overly complex and perform distinct but overlapping functions, which in turn enlarges the bureaucracy at the state and local levels as well as the Federal level, the report recommends installing an effective method for coordinating the separate parts to better meet people's basic needs.

In order to avoid duplicative services, the Task Force proposes establishment of a combined funding system for covering the Federal portion of the cost of administering AFDC, Medicaid and Food Stamps. This new system would combine Federal funding for administrative costs under a single block grant and was submitted to Congress in 1982.

(more)

In addition to supporting the establishment of the CWA, the report also recommends developing a procedure to adjust the amount of the state grant by the size of the anticipated caseloads for AFDC, Medicaid and Food Stamps, and by recognizing cost level increases. This would also create incentives for states to reduce administrative costs, which are presently reimbursed on a 50 percent matching basis.

The task force report also proposed establishing an income verification system through computer matching. Because of various restrictions by law, the report favors amending the Tax Reform Act of 1976 to allow individual needs-based programs to gain access to Internal Revenue Service and Social Security Administration data.

A recommendation was also included to improve methods of distributing Medicaid payments. In-patient hospital services and long-term care, which represent a major portion of Medicaid expenditures, can be improved by replacing retrospective reimbursement systems--paying all or a portion of the hospital charges automatically--with a prospective payment system--fixed negotiated limits on reimbursement.

"Of the three-year total of $5.9 billion in savings $4.2 billion is fully substantiated by adequate documentation, and another $1.7 billion is partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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MEDIA SUMMARY

TASK FORCE REPORT ON LOW INCOME STANDARDS AND BENEFITS (LISAB)

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Robert K. Wilmouth
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National Futures Association

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Richard Strauss
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It is vitally important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed in a politically-charged atmosphere by private sector executives and specialists whose services were volunteered -- often on a part-time basis. This staff had the formidable task of using their expertise to focus on largely unfamiliar and complex Federal operations in the short span of only a few months. Frequently, staff members expended these efforts while holding down other full or part-time employment.

Despite these difficult and perplexing challenges -- all of which were expected at the start of the Task Force Report -- a great deal of valuable work was performed. The recommendations contained in this Report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

We have sought to be realistic about the recommendations reported. The great majority of them, we believe, are fully substantiated. However, it would be misleading for us to leave the impression that each and every recommendation is rooted in a comprehensive level of research, analysis, and substantiation. The pressure of time, other business commitments, lack of adequate resources, and other constraints did not always permit the luxury of achieving the desired thoroughness of study.

To promote a realistic expectation of recommendations reported, we have evaluated the "supportability" of the recommendations on their management merits and have grouped them into three categories.

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

REPORT RECOMMENDATIONS -- AN ASSESSMENT

Issue/Recommendations	Category/3-Year Savings ($ millions) I	II	III
LISAB 1: Enact a revised Combined Welfare Administration proposal	$ 929		
LISAB 2: Enact a revised Energy and Emergency Assistance proposal		$ 290	
LISAB 3: Merge Federal weatherization activities		N/A 1/	
LISAB 4: Require quarterly State wage reporting, release IRS data, and conduct computer matching verification	$2,227		
LISAB 5: Accelerate efforts toward automation.		$2,925	
LISAB 6: States adopt ADP systems		N/A	
LISAB 7: Modify the SSI verification procedures and redetermination process			$79
LISAB 8: Establish a prospective Medicaid payment system and require prescreening and case management in community-based programs.	$1,031		
LISAB 9: Replace the Medicaid Quality Control disallowance system.		N/A	
Sub Total	$4,187	$3,215	$79[illegible]
Less: Overlap in Issues 4, 5 and 7 2/		($1,546)	
Grand Total	$4,187	$1,669	$79[illegible]

1/ N/A - Not Applicable

2/ The estimates overlap in issues 4, 5 and 7, and cannot be allocated to each issue. The total amount of the overlap is judged to fall within the definition of Category II and it is shown there.

- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.

- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations in the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of firm, probable, and potential savings.

THE REPORT RECOMMENDATIONS -- AN ASSESSMENT

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following page.

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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BUSINESS GROUP SUGGESTS UP TO $3.2 BILLION IN SAVINGS AND REVENUE GENERATION OVER 3 YEARS FOR HUD

WASHINGTON, April 18--The Department of Housing and Urban Development (HUD) can save up to $3.2 billion over a three-year period if the suggestions by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC), which were released today, are adopted. This figure includes potential revenue generation of more than $870 million.

These recommendations will be considered on May 2nd by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co. of New York, for possible submission to the President.

The HUD Task Force was co-chaired by Frank Cary, chairman of the board of IBM Corporation of Armonk, New York; Richard Cooley, chairman and chief executive officer of Wells Fargo Bank of Los Angeles; and Barry F. Sullivan, chairman and chief executive officer of the First National Bank of Chicago.

(more)

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The report recommends that cash management systems should be implemented to optimize investment opportunities; automate, organize and administer debt collection procedures; and correct deficiencies in the present system which slow the acquisition, management, and disposition of real estate.

Suggestions for improving the handling of HUD real estate were made, which include monitoring and expediting foreclosures; enacting the IRS code relative to cash accounting and use of depreciation; and expediting the acquisition of properties for foreclosures. The report also suggests that the equivalent of a chief financial officer be established, which would help correct the lack or inadequacy of financial management in HUD.

In addition to the savings and revenue enhancements suggested by the PPSSCC task force, a recommendation was also made to implement a computer-matching program for eligibility verifications. While this requires an outlay of money, significant savings will be realized over a two to five-year period.

"Of the three-year total of $3.2 billion in savings and revenue enhancements, $2.7 billion are fully supported by adequate documentation, and another $479 million are partially supported," Mr. Grace said. Mr. Grace also said another $308 million in savings and revenue generation over a three-year period is recommended for further study.

Mr. Grace cautioned that in all of the PPSSCC work estimated savings and revenue enhancements are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

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Project Manager

Richard Borda
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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

It is vitally important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed in a politically-charged atmosphere by private sector executives and specialists whose services were volunteered--often on a part-time basis. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full- or part-time employment.

Despite these difficult and perplexing challenges--all of which were anticipated at the onset--a great deal of valuable work was performed. The recommendations contained in this Report, if implemented, will result in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

We have sought to be realistic about the recommendations reported. The great majority of them, we believe, are fully substantiated. However, it would be misleading for us to leave the impression that each and every recommendation is rooted in a uniformly high level of research, analysis, and substantiation. The press of time, other business commitments, lack of adequate resources, and other constraints did not always permit the luxury of achieving this desired uniformity.

As a result, and to promote a realistic expectation of recommendation reported, we have evaluated the "supportability" of the recommendations on their management merits and have grouped them into three categories.

- Category I - Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.
- Category II - Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.
- Category III - Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social, or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of: (1) firm, (2) probable, and (3) potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the following ma

THE REPORT RECOMMENDATIONS

AN ASSESSMENT

Category/3-Year Savings/Revenue Opportunities
($ millions)

		I	II	III
HUD 1-1	Establish the Office of Assistant Secretary For Financial Management	N/Q	N/Q	N/Q
HUD 1-2.1	(See HUD 2-1 through HUD 2-4)			
HUD 1-2.2	(See HUD 2-1 through HUD 2-4)			
HUD 1-2.3	Implement standard accounting practices for principal and interest payments on Title I loans	79.4(R)		
HUD 1-2.4	Improve investment portfolio management	198.6(R)		
HUD 1-2.5	Establish actuarial review process of FHA funds	N/Q	N/Q	N/Q
HUD 1-2.6	Eliminate distributive shares program	185.4(S)		
HUD 1-2.7	Centralize bond bidding procedures		36.4(S)	
HUD 1-2.8	Improve cash management procedures	72.8(R)		
HUD 2-1 - HUD 2-4	Improve organization, administration, and automation		21(S)	
HUD 2-5	Modify Time Reporting System	13.0(S)		
HUD 2-6	Implement micrographics system	30.0(S)		
HUD 2-7	Centralize publications inventory	5.0(S)		
HUD 3-1 & HUD 3-2	Automate, organize, and administer debt collection		285.9(R)	
HUD 3-3	Contract out charged-off accounts to collection agency	21.4(R)		
HUD 3-4	Expand third-party servicing	158.3(R)		

Category/3-Year Savings/Revenue Opportunities
($ millions)

		I	II	III
HUD 4-1	Improve rehabilitation and sale program		13.2(R)	
HUD 4-2	Improve management and administration of property disposition	N/Q	N/Q	N/Q
HUD 4-3	Monitor and expedite foreclosures	34.9(S)		
HUD 4-4	Improve property appraisal methods	9.9(R)		
HUD 4-5	Expedite acquisition of property by foreclosure	34.9(S)		
HUD 4-6	Amend IRS code		15(R)	
HUD 4-7	Implement year-round disposition program			115.9(R)
HUD 4-8	Modify MIDLIS status codes	N/Q	N/Q	N/Q
HUD 4-9	Review and modify disposition regulations	N/Q	N/Q	N/Q
HUD 4-10	Utilize outside attorneys to expedite foreclosures		18.1(S)	
HUD 5-1	Implement computer-matching program for eligibility verification	1,870.2(S)*		
HUD 5-2	Improve training for application processing	N/Q	N/Q	N/Q
HUD 5-3	Improve monitoring for compliance	N/Q	N/Q	N/Q
HUD 6-1	Sell mortgages to the Federal Financing Bank			109.2(R)
HUD 6-2	Establish Mortgage Disposition Board	N/Q	N/Q	N/Q
HUD 7-1 to HUD 7-6	Improve management of multi-family housing		89.3(S)	
HUD 7-7	Design analytical model for loan services	N/Q	N/Q	N/Q

* Indicates funds which could be made available for proper allocation to qualified recipients for HUD benefits

Category/3-Year Savings/Revenue Opportunities ($ millions)

		I	II	III
HUD 8-1 & HUD 8-2	Improve management of PHAs			82.8(S)
HUD 8-3	Incorporate the FMR into the PHA Funding Formula	N/Q	N/Q	N/Q
HUD 8-4	Improve PHA staff skills	N/Q	N/Q	N/Q
HUD 9-1	Implement cost/benefit analysis of Lump Sum	0	0	0
HUD 9-2	Monitor Lump Sum accounts	0	0	0
HUD 9-3	Train personnel in Lump Sum issues	0	0	0
HUD 10	Increase fees for single family GNMA pools	21.6(R)		
Total Cost Savings (S) by Category		$2,173.4	$164.8	$82.8
Total Revenue (R) by Category		562.0	314.1	225.1

* Indicates funds which could be made available for proper allocation to qualified recipients

#3C

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PRESIDENTIAL COST CONTROL PANEL RECOMMENDS $3.7 BILLION IN SAVINGS FOR DEPARTMENT OF LABOR

WASHINGTON, May 6--A cost savings potential of approximately $3.7 billion is possible at the Department of Labor, over a three-year period, according to a Task Force report issued today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC). These recommendations will be considered on May 17th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The PPSSCC Labor Task Force was co-chaired by James Kemper, Jr., chairman of Kemper Corporation of Long Grove, Illinois; Francis C. Rooney, chief executive officer of Melville Corporation of Harrison, New York; Richard R. Shinn, chairman and chief executive officer of Metropolitan Life Insurance Co.; and Luke G. Williams, chief executive officer of American Sign and Indicator Company of Spokane, Washington.

(more)

MATRIX OF RECOMMENDATIONS

Issue/recommendations		3-year Savings By Degree of Certainty (S) Savings (O) One-Time Cost Savings ($ millions) I	II	III
		$	$	$
CONST 1:	Integrate environmental reviews	$ 338.9 (S)	33.2 (S)	
CONST 2:	Revise CEQ regulations for EIS attentives	33.2 (S)		
CONST 3:	Increase use of NEPA categorical exclusion			26.5 (S)
CONST 4:	Restrict EIS reviews		993.0 (S)	
CONST 5:	Restrict mitigation outlays	24.9 (S)		
CONST 6:	Modify treatment of wetlands	16.6 (S)		
CONST 7:	Stop implementation of new fish and wildlife rules	132.4 (S)		
CONST 8:	Eliminate duplicative historic preservation regulations	25.2 (S)		
CONST 9:	Repeal section 4(F) of the Department of Transportation Act	18.6 (S)		
CONST 10:	Revise floodplain requirements	1.6 (S)		
CONST 11:	Amend Safe Drinking Water Act	19.9 (S)		
CONST 12:	Combine endangered species consultation with NEPA review			703.3 (S)
CONST 13:	Use innovative methods to mitigate highway noise			215.2 (S)
CONST 14:	Change dredged material disposal policies			359.0 (O)
CONST 15:	Amend section 404 of the Clean Water Act		113.8 (S)	
CONST 16:	Amend Wild and Scenic Rivers Act	2.0 (S)		143.0 (S)
CONST 17:	Revise and enforce OMB Circular A-76 and increase contracting out			1,324.0 (S)
CONST 18:	Increase use of performance specifications			662.0 (S)
CONST 19:	Increase the application of value engineering			0.0 (S)
CONST 20:	Improve effectiveness of on-site management presence in EPA Construction Grants Program			286.5 (S)
CONST 21:	Improve construction project and program management			0.0 (S)
CONST 22:	Encourage privatization of wastewater treatment facilities			0.0 (S)
CONST 23:	Improve data bases and enforce life cycle costing requirements			
Total		$613.3 (S)	$1,140.0 (S)	$3,360.5 (S) 359.0 (O)

The Labor Task Force studied specific areas for possible savings, including abuse in Federal disability programs, the current salary scales as compared with local wage earners, and internal administrative procedures.

The Task Force recommended establishing a permanent investigative organization in order to properly control the payment of legitimate long-term disability claims. The report cited that the government's automated data processing systems and investigative capabilities have not kept pace with the massive increases over the past 10-15 years of long-term injury claimants.

Also recommended by the Labor Task Force is the establishment of area wage scales for white-collar employees, rather than the national pay system presently utilized, which has no provision for variations in pay rates based on local salary conditions. There would also be a city-by-city salary scale for non-supervisory positions.

With regard to various wage laws and regulations, the Task Force recommended amending the Davis Bacon Act in order to increase the competitiveness of local contractors. This could be accomplished, in part, by raising the contract threshold from $2,000 to at least $25,000 and including a greater percentage of local rates in the determination of the "prevailing wage." It also recommended amending the Walsh Healey Act in order to eliminate the 8-hour per day threshold from overtime pay requirements in recognition of developing alternative work schedules (e.g., the four day, 40 hour week).

(more)

The report also recommended internal administrative improvements, such as developing standards for measuring productivity. This also requires establishing objectives for productivity improvement and providing rewards and incentives for meeting or exceeding standards.

"Of the three-year total of $3.7 billion in savings, $1.5 billion are fully substantiated by adequate documentation, and another $2.2 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work estimated savings and revenue enhancements are more of a "planning" quality and not of a precise "budget" quality.

#

I

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JUSTICE DEPARTMENT COULD RAISE MORE THAN $625 MILLION BY IMPROVING DEBT COLLECTION PROCEDURES

WASHINGTON, June 30--A uniform debt-reporting system needs to be implemented by the Department of Justice (DOJ) in order to improve its collection procedures and to reduce its present backlog of cases, with the potential of raising more than $625 million over a three-year period. This is one of 37 proposed recommendations made by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC) in a report on the Justice Department.

These recommendations will be considered on July 13th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Department of Justice Task Force was co-chaired by Weston R. Christopherson, chairman and chief executive officer of Jewel Companies, Inc. of Chicago; Frederick Deane, chairman and chief executive officer of the Bank of Virginia of Richmond; Jewel S. Lafontant, senior partner of Lafontant, Wilkins, Jones and Ware of Chicago; and Arthur Levitt, Jr. chairman of the American Stock Exchange in New York.

(more)

Approved For Release 2008/04/02 : CIA-RDP85B01152R001201530001-7

The report cites a lack of uniformity in claims originating in other agencies--98.8 percent of claims requiring legal action by the Justice Department originate in other Federal agencies--and notes that this arises from a decentralized collection and credit process, in which each agency establishes credit policies and procedures to serve its own particular purpose.

The task force recommends that the Justice Department should require and, under Office of Management and Budget (OMB) guidance, client agencies should adopt a uniform reporting system for claims that are to be forwarded for legal action. To help facilitate this process, a Special Assistant U.S. Attorney in charge of debt collection should be named, who would be responsible for coordinating debt collection from other agencies requiring Justice Department litigation.

The DOJ task force found many collection offices seriously understaffed, with personnel often untrained and inexperienced in modern collection methods. Highlighting the problem was an example from an OMB study in which an office with more than 1,200 referred accounts had only one permanent position allocated to collections. Similar situations were found in other offices.

The task force therefore recommended that consideration be given to using private collection agencies under contract to aid in the collection of the outstanding receivable balance. Given DOJ's current staffing levels, private agencies can provide immediate collection activity with one private collection agency indicating that it collects between 60 and 75 percent of the dollar value of cases assigned to it.

(more)

With regard to assets which are obtained by the government through seizure and forfeiture, the report recommends developing a procedural guide which provides a systematic checklist for processing forfeiture cases and forming an Asset Forfeiture Unit within the Department to assume responsibility for maintenance of all assets obtained by any agency from time of seizure until final disposition.

Better cash management can be obtained by establishing a revolving fund to finance the proposed Asset Forfeiture Unit. This fund could be used to accept proceeds of sales of forfeited assets and for paying maintenance and costs for such assets. Seized cash awaiting disposition should be forwarded to the U.S. Treasury for deposit.

The report also recommends that DOJ increase its use of paralegals to improve productivity, promote the development of technological advances to speed port-of-entry processing for passengers, and to continue to replace and upgrade its obsolete computer hardware systems.

"All of the three-year total of $850.1 million in savings and revenue generation, are fully substantiated by adequate documentation," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT ON THE DEPARTMENT OF JUSTICE

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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

As the product of an unprecendented and wide-ranging survey performed by private sector executives and specialists, the recommendations in this Task Force report must be placed in perspective. Our volunteer staff had the formidable task of bringing their expertise to bear on complex Federal operations in the short span of a few months while holding down other full or part-time employment.

Despite these challenges -- most of which were anticipated at the outset -- valuable analysis and issue development were achieved. The recommendations contained in this report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices financially support these Federal programs and operations.

We believe that the majority of our recommendations are fully substantiated. However, it would be misleading to allege that each and every recommendation is rooted in a uniformly high level of research, analysis and substantiation. Various time limitations, business resources, and other constraints did not permit achievement of the desired uniformity objective.

We have evaluated, therefore, the "supportability" of the recommendations on their management merits and have grouped them into the following three categories.

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.
- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the report, but all indications point to the desirability and defensibility of proceeding with their implementation.
- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit.

These category descriptions do not take into account political, social or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of firm, probable and potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following page.

Issue	Three-Year Savings (S) and Revenue Opportunities (R) ($ millions) Category I	Category II	Category III
JUSTICE 1: Uncollected Revenues	$626.1 (R) 44.2 (CA) 1/ 5.0 (S)		
JUSTICE 2: Asset Seizure and Forfeiture	$244.2 (CA) 1/ 49.8 (S)		
JUSTICE 3: Travel Procurement	3.6 (S)		
JUSTICE 4: Use of Para-legals	13.4 (S)		
JUSTICE 5: DOJ ADP Systems	2/ (S)		
JUSTICE 6: Automated Legal Support Systems	37.3 (S)		
JUSTICE 7: Federal Prison Industries	40.8 (R)		
JUSTICE 8: INS Central and Regional Office Staffing	26.2 (S)		
JUSTICE 9: Consolidation of Port-of-Entry Inspection Services	47.9 (S)		
JUSTICE 10: Improvement of IG Operation	2/ (S)		
Total	$850.1	---	---
Savings	$183.2	---	---
Revenue	$666.9	---	---
Memo: Total Cash Acceleration	$288.4	---	---

1/ Savings not quantified.

2/ Cash Accelerations are not included in totals.

E

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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FEDERAL FEEDING PROGRAMS COULD BE IMPROVED PROVIDING MILLIONS OF DOLLARS IN SAVINGS

WASHINGTON, June 30--By establishing a budget costing factor which relates food costs and menu requirements to food actually served in the military services, the Federal Government could save more than $167 million over three years, according to a report released today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC).

This recommendation and others pertaining to Federal feeding activities will be considered on July 13th by a Subcommittee of the Survey's Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Federal Feeding task force was co-chaired by H. J. Cofer, president of Rich-Sea Pak Corporation of St. Simons Island, Georgia; Henry H. Henley, chairman and chief executive officer of Cluett Peabody & Co., Inc. of New York; Edward L. Hutton, president and chief executive officer of Chemed Corp. of Cincinnati, Ohio; Carl Karcher, chairman and chief executive officer of Carl Karcher Enterprises, Inc. of Anaheim, California; and Edward Whittemore, chairman and chief executive officer of American Brands, Inc. of New York.

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The perennially high cost of military feeding is blamed on outdated menus, lack of budgetary accountability for meal allowances, and unauthorized access to military dining facilities.

The report found that the method used for determining the budget necessary to provide the military's basic daily food allowance is outdated, essentially unchanged since 1933.

Citing a General Accounting Office study, it was found that food was not always consumed as reported and that food was being wasted. This same report found that inadequate controls existed limiting access to military dining facilities, that meal cards were being misused and that unauthorized persons were being fed free.

Due to a lack of adequate data and reporting requirements, no one government office knows the size and scope of Federal feeding. After contacting virtually every Federal department and agency, the Task Force estimates that the Federal Government is involved in at least 57 food-related programs at more than 100,000 locations for a total net cost of more than $21 billion in 1981.

Federal feeding programs have evolved independently under numerous pieces of legislation resulting in a lack of a consistent or comprehensive Federal policy on feeding. Without a policy, feeding programs suffer from fragmented implementation, insufficient management attention, poor coordination, and thus duplication of services and payments.

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Citing an April 1983 House Appropriations Committee Review of Bureau of Indian Affairs Contract schools it was found that two contract schools in North Dakota were also classified as plublic schools and received duplicate sources of funds for its feedings programs. As a result, when the new principal of one school reported to work, he found $200,000 in cash and checks in a desk drawer. Although the problem has been reported, the Government's Contract Officer Representative has made no demand to refund the money and the school board in considering using the surplus funds to finance a small shopping mall near the school.

To correct this lack of management control in the Federal feeding programs, the report concludes that the Office of Management and Budget should establish guidelines including a clear definition of Federal feeding, management accounting systems which will hold agencies and departments responsible for assessing expenditures and costs, and standardization of procurement and contracting strategies.

More consistency across government agencies could lead to additional savings in ground beef purchases and contract cafeteria operations.

By purchasing ground beef extended with 20 percent soy protein as the Department of Defense does for troop feeding, the U.S. Department of Agriculture (USDA) could save more than $83 million over three years in the National School Lunch Program (NSLP) without detracting from taste or nutritional value.

(more)

The purchase of ground beef represents one of the largest dollar volume items purchased by the U.S. Department of Agriculture (USDA) for donation to schools under NSLP. Presently, USDA plurchase only pure ground beef for this purpose, even though the Food and Nutrition Service of the Agriculture Department permits the use of soy products in school feeding and the DOD uses it for troop feeding. Department of Defense tests report that the addition of soy extenders to ground beef does not detract from the palatibility or nutritional value of the beef.

The report notes that some cafeteria contractors pay no rent for space, contractors outside of Washington, D.C. pay 1.5 percent of sales under GSA guidelines, and some Washington contractors pay as high as 11.5 percent of sales. By adopting a nationwide policy of allowing qualified bidders to bid competitively on food service contracts and eliminating restrictions on food contractors' profitability, the Federal government could save $38.8 million over three years.

"Of the three-year total of $297.9 million in savings, $91.2 million are fully substantiated by adequate documentation, and another $206.7 million are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT ON FEDERAL FEEDING

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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

As the product of an unprecedented and wide-ranging survey performed in a political atmosphere by private sector executives and specialists, the recommendations in this Task Force report must be placed in perspective. Our volunteer staff had the formidable task of bringing their expertise to bear on complex Federal operations in the short span of a few months while holding down other full or part-time employment.

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Despite these challenges -- most of which were anticipated at the outset -- valuable analysis and issue development were achieved. The recommendations contained in this report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices financially support these Federal programs and operations.

We believe that the majority of our recommendations are fully substantiated. However, it would be misleading to allege that each and every recommendation is rooted in a uniformly high level of research, analysis and substantiation. Various time limitations, business resources, and other constraints did not permit achievement of the desired uniformity objective.

We have evaluated, therefore, the "supportability" of the recommendations on their management merits and have grouped them into the following three categories.

- o Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.
- o Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the report, but all indications point to the desirability and defensibility of proceeding with their implementation.
- o Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit.

These category descriptions do not take into account political, social or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of firm, probable and potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following page.

	Category/3-Year Savings/Revenues ($ millions)		
	I	II	III
FEEDING 1: Policy and Management Information	1/		
FEEDING 2: Substitution of Commercially Available Products for Federal Specification Products		$8.4(S)	
FEEDING 3: Soy Extender in Ground Beef	$83.4(S)		
FEEDING 4: Food Service Contracts	7.8(R)	31.0(R)	
FEEDING 5: Troop Feeding		167.3(S)	
FEEDING 6: Compendium Issue	8,233.0(S) 1,591.2(R)	1,545.0(S)	1.9(R)
Total Savings by Category	$8,316.4(S)	$1,720.7(S)	$ --
Total Revenue by Category	1,599.0(R)	31.0(R)	1.9(R)
Total	$9,915.4	$1,751.7	$ 1.9

1/ Savings or revenue not quantified.

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PRIVATE SECTOR SURVEY RECOMMENDS MORE THAN $13 BILLION IN SAVINGS AND REVENUE ENHANCEMENTS FOR TWO HEALTH AND HUMAN SERVICES AGENCIES

WASHINGTON, April 18--A three-year savings and revenue enhancement plan of more than $13 billion dollars was outlined today by the President's Private Sector Survey on Cost Control (PPSSCC) for the Department of Health and Human Services' Health Care Financing Administration (HCFA) and Public Health Service (PHS). These recommendations will be considered on May 2nd by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co. of New York, for possible submission to the President.

The PPSSCC task force on HCFA and PHS was co-chaired by Samuel H. Armacost, president and chief executive officer of Bank of America of San Francisco; Edward L. Hennessy, chairman, president and chief executive officer of Allied Corporation of Morristown, New Jersey; and Charles J. Pilliod, Jr., chairman and chief executive officer of Goodyear Tire and Rubber Co. of Akron, Ohio.

(more)

Of the $13 billion in total suggested savings and revenue enhancements, approximately $10.7 billion are for HCFA, which include:

1. Adopting a national prospective system for Medicare hospital reimbursement using a fixed fee schedule for payment by a diagnostic class.
2. Changing the method of reimbursement from a fee-for-service basis to a prospectively negotiated fee.
3. Establishing a mechanism within the hospital reimbursement Medicare and Medicaid programs directed at reducing hospital excess capacity.

Included in the more than $13 billion in total savings and revenue generation recommended, the task force also recommended methods for the agency to raise more than $660 million in revenue. This would be realized by reducing the use of tax-free bond financing for hospitals which presently encourage excess capacity and whose costs are reimbursed by the federal government.

Also included in the task force report were savings of approximately $1.9 billion for PHS by reducing, over three years, the costs for administrative, equipment, and career training grants of the National Institutes of Health; and combining field sites and improving management practices of PHS.

"Of the three-year total of more than $13 billion in savings and revenue enhancements for these two agencies, $9.8 billion are fully supported by adequate documentation and another $3.5 billion are partially supported," Mr. Grace said.

(more)

Mr. Grace cautioned that in all of the PPSSCC work estimated savings and revenue enhancements are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) HEALTH CARE FINANCING ADMINISTRATION (HCFA) AND PUBLIC HEALTH SERVICE (PHS)

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The Report Recommendations -- A Perspective

It is vitally important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed in a politically-charged atmosphere by private sector executives and specialists whose services were volunteered - often on a part-time basis. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full or part-time employment.

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Despite these difficult and perplexing challenges -- all of which were anticipated at the onset -- a great deal of valuable work was performed. The recommendations contained in this Report, if implemented, will result in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

We have sought to be realistic about the recommendations reported. The great majority of them, we believe, are fully substantiated. However, it would be misleading for us to leave the impression that each and every recommendation is rooted in a uniformly high level of research, analysis, and substantiation. The press of time, other business commitments, lack of adequate resources, and other constraints did not always permit the luxury of achieving this desired uniformity.

As a result, and to promote a realistic expectation of recommendations reported, we have evaluated the "supportability" of the recommendations on their management merits and have grouped them into three categories.

- o Category I -- <u>Fully substantiated and defensible</u>. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

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These category descriptors do not take into account political, social or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, by grouping the recommendations along the above categories, it is possible to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of: (1) firm, (2) probable, and (3) potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in

	Category: Three year Savings/Revenue Opportunities ($ millions) I	II	III
HHS-HCFA 1 Medicare Contracts - Competitive Bids: Expand experimental, fixed price competitive efforts and pursue legislation to allow such contracts on a national basis.	$ 54.0(S)	$ --	$ --
HHS-HCFA 2 Medicare Claims Audit: Improve and expand audit and medical review system.	446.9(S)		
HHS-HCFA 3 Hospital Reimbursement: Adopt prospective fixed price reimbursement as method of medicare payment to hospitals and expand the system to include payments from all sources.	5,600.0(S)		
HHS-HCFA 4 Physician Reimbursement: Change method of reimbursement from a fee-for-service basis to prospectively negotiated fee		$3,340.0(S)	
HHS-HCFA 5	939.0(S)		
Reduce Hospital Excess Capacity: Establish mechanism within the hospital reimbursement Medicare and Medicaid programs directed at reducing hospital excess capacity.	662.0(R)		
HHS-HCFA 6 Establish a HCFA-based Electronic Data Processing System.	324.4(S)		

	Category: Three year Savings/Revenue Opportunities ($ millions) I	II	III
HHS-HCFA 7 Change the Management of HCFA from a regulatory administrative agency to a Health Care Financing Commission.	$ --	Unknown	$ --
HHS-HCFA 8 Reduce the Staff of HCFA and Consolidate and Centralize Operating Sites.	32.1(S)		
Total HCFA Savings by Category:	$ 7,396.4	$ 3,340.0	$ 0.0
Total HCFA Revenue Generation By Category	$ 662.0	$ --	$ --
HHS-PHS 1 Reduce Cost of Administration of NIH Grants, Contracts and Equipment to universities receiving grants.	554.3(S)		
HHS-PHS 2 Revise Reimbursement Procedures to contract care providers of the Indian Health Service.	116.8(S)		
HHS-PHS 3 Institute a Cost Control Management by Objectives Program within the Public Health Service.	200.4(S)		
HHS-PHS 4 Change the Eligibility Criteria for Indian Health Service coverage and benefits.	160.3(S)		

	Category: Three year Savings/Revenue Opportunities ($ millions) I	II	III
HHS-PHS 5 Consolidate Federal Toxicology Testing Programs, the Public Health Service and The National Toxicology Program.	$ --	168.9(S)	$ --
HHS-PHS 6 Eliminate Inconsistencies in the NIH Grants Process.	17.2(S)		
HHS-PHS 7 Improve the Credit and Collection Procedures of the Student Grant Program.	32.0(CM)		
HHS-PHS 7-1 Increase Revenues Collected from National Health Service Corps Staffed Sites.	26.3(CM)		
HHS-PHS 8 Close the Rocky Mountain Laboratory of the N.I.H.	14.1(S)		
HHS-PHS 8-1 Close the Phoenix Office of CDC.	0.8(S)		
HHS-PHS 9 Eliminate and Transfer Staff within Office of Assistant Secretary for Health.	150.6(S)		
HHS-PHS 10 Eliminate Redundant Functions and Staff Throughout the PHS.	474.0(S)		
Total PHS Savings by Category:	$1,688.5	$ 168.9	$ 0.0
Total PHS cash management:	$ 58.3	$ --	$ --

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BUSINESS GROUP OFFERS HHS COST REDUCTION PLAN

WASHINGTON, April 5 -- The President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC) today made public a task force report on a portion of the Department of Health & Human Services (HHS) containing proposed cost savings of at least $601.7 million in three years. This first group of HHS recommendations will be considered on April 15th by a Subcommittee of the Survey's Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The partial PPSSCC Department of Health and Human Services Task Force was headed by Michael Dingman of Wheelabrator-Frye, Inc. and Forrest Shumway of The Signal Companies, Inc.

"Of the three-year total of more than $600 million of recommended savings, $494 million are fully supported by adequate documentation and another $108 million are partially supported," Mr. Grace said.

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He cautioned that in all of the PPSSCC work estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT FOR THE DEPARMENT OF HEALTH AND HUMAN SERVICES (HHS) -- DEPARTMENT OF MANAGEMENT, HUMAN DEVELOPMENT SERVICES, AND ACTION

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REPORT RECOMMENDATIONS -- A PERSPECTIVE

To promote a realistic expectation of recommendations reported, we have evaluated the "supportability" of the recommendations on their management merits and have grouped them into three categories.

- Category I -- Fully Substantiated and Defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- Category II -- Substantially Documented and Supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.

- Category III -- Potentially Justifiable and Supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social or economic conditions which may alter the supportability for implementating these recommendations. Accordingly, it is possible, by grouping the recommendations along the above categories, to more effectively assess the cost savings that can be expected. This analysis permits summary estimates of: (I) firm, (II) probably, and (III) potential savings.

Categorization of Savings

	Category/3 Year Savings/ Revenue Opportunities ($ millions) I	II	III
HHS MGMT 1-1: Reduce the ACTION staff by 40 percent.	$--	$ 26.7(S)	$--
HHS MGMT 2-1 through 2-84: Restructure HHS Department Management to eliminate organization layering and duplication.	212.8(S)		
HHS MGMT 3-1 through 3-5: Streamline correspondence control and clearance procedures to assure more timely response at less cost.	7.1*(S)		
HHS MGMT 4-1 and 4-2: Eliminate the policy research of HHS Department Management.		46.0(S)	
HHS MGMT 5-1 and 5-2: Eliminate evaluation projects within the Office of the Secretary.		34.8(S)	
HHS MGMT 6-1 through 6-17: Reorganize the Office of Human Development Services (HDS) to improve effectiveness and reduce costs.	56.3(S)		
HHS MGMT 7-1 through 7-4: Modify management practices and the organizational structure of HDS to improve social research.	66.2(S)		
HHS MGMT 8-1 and 8-2: Adopt the delay-of-drawdown program in the remaining states and/or adopt the checks paid letter of credit approach for advancing Medicaid funds.	158.9(S)		
Total Cost Savings (S) by Category	$494.2	$107.5	$ -0-

*Savings duplicated in HHS MGMT 2, not included in total.

Figures are three year cost savings adjusted for inflation but net of implementation costs.

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PRIVATE SECTOR SURVEY OUTLINES $11.2 BILLION IN SAVINGS AND REVENUE GENERATION FOR FEDERAL HOSPITAL MANAGEMENT SYSTEM

WASHINGTON, May 6--The Federal Government can save approximately $8.5 billion, over three years, by improving its Federal hospital management system according to a study made public today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC). In addition to the recommended savings outlined, the business panel also outlined approximately $2.7 billion in revenue generation methods.

These recommendations will be considered on May 17th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Federal Hospital Management Task Force was co-chaired by Raymond A. Hay, president of The LTV Corporation of Dallas; William B. Johnson, chairman of IC Industries of Chicago; James L. Ketelsen, chairman and chief executive

(more)

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officer of Tenneco of Houston; and Henry E. Simmons, national director of Health Care Consulting Programs, Peat, Marwick, Mitchell & Co. of Washington, D.C.

In addition to reviewing the entire Federal hospital management system, the PPSSCC Task Force also studied the Department of Defense and Veterans Administration hospital systems.

Because of widespread underutilization of Federal hospitals, the Task Force report recommended that the Department of Defense freeze construction funds for 27 small hospitals, and 20 larger hospitals that are scheduled for major renovation or construction. This step, in addition to appointing a full-time director of Shared Health Resources, to establish central authority, would help to reduce the number of underutilized hospitals and result in more efficient and better technically-staffed hospitals.

The findings also include installing a data processing system at the Veterans Administration at a cost of $190-$250 million. Despite the initial outlay of money, installing the system would result in eliminating duplicative, erroneous data and provide necessary data for resource planning and local hospital operation.

The report also outlined the costly operation of the depot system for distributing medical supplies. The findings

(more)

suggest phasing out the VA depot system because expensive local market purchasing takes place despite the depot system, thus defeating the purpose of the depot system. It was also recommended that the VA and Department of Defense purchase medical supplies through national contracts to reduce costs.

"Of the three-year total of $11.2 billion in savings and revenue generation, $2 billion are fully substantiated by adequate documentation, and another $9.2 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT ON FEDERAL HOSPITAL MANAGEMENT

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THE REPORT RECOMMENDTIONS -- A PERSPECTIVE

It is vitally important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed in a politically-charged atmosphere by private sector executivies and specialists whose services were volunteered often on a part-time basis. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full- or part-time employment.

Despite these difficult and perplexing challenges -- all of which were anticipated at the outset -- a great deal of valuable work was performed. The recommendations contained in this Report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

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<u>The Report Recommendations -- An Assessment</u>

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in t[illegible]

CATEGORY/3 YEAR SAVINGS/REVENUE OPPORTUNITIES
(NET OF IMPLEMENTATION COSTS)
($ millions)

	ISSUE	I	II	III
HOSP 1	Freeze construction for small underutilized hospitals and those generating at less than 60% occupancy	$687.7(S)	$ -	$ -
HOSP 3	Create a central DOD health entity		744.7(S)	
HOSP 4	Improve planning and resource allocation in VA hospital system		4284.0(S)	
HOSP 5-1	Stop nursing home construction	589.5(S)		
HOSP 5-3	Reorganize VA office of construction		731.6(S)	
HOSP 7	Management information system for VA hospital system		(350.0)(Cost)	
HOSP 8	Phase out VA medical supply depots and reduce DOD supply levels to $100 million	431.1(S)		
HOSP 9	Reduce open market purchase of medical supplies	221.8(S)		
HOSP 10	Improve DOD procedures for recovering cost of medical from third parties	68.6(R)		
HOSP 11	Medical care cost recovery from insured inactive beneficiaries in the DOD		1211.4(R)	
HOSP 12-1	VA rate change		102.6(S)	
HOSP 12-2	F.I.S. contracted		719.1(S)	
HOSP 12-2	Eliminate duplicate payments		109.2(S)	
HOSP 12-3	IHS rate change		86.1(S)	
HOSP 12-4	FIs contracted		28.3(S)	

		I	II	III
HOSP 12-4	Eliminate duplicate payments		86.1(S)	
HOSP 13-2	Establish a means test and pursue recovery		1441.2(R)	
	Total Cost Savings(S) by Category	$1930.1(S)	6891.7(S)	
	Total Revenue Generation (R) by Category	68.6(R)	2652.6(R)	
		$1998.7	$9544.3	
			(350.0)	
			$9194.3	

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COST SAVINGS OF $9.6 BILLION POSSIBLE BY SOCIAL SECURITY ADMINISTRATION ACCORDING TO PRESIDENTIAL STUDY GROUP

WASHINGTON, June 3--The Social Security Administration (SSA) can save $9.6 billion over a three-year period by improving its overall management and administrative operations, according to a study released today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC).

These recommendations will now be considered on June 13th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Social Security Administration Task Force was co-chaired by John J. Byrne, chairman, chief executive officer and president of GEICO Corporation of Washington, D.C.; Joseph P. Downer, vice chairman of Atlantic Richfield Corporation of Los Angeles; Harold A. Eckmann, chairman and chief executive officer of Atlantic Mutual Insurance Company of New York; and George P. Jenkins, of W. R. Grace & Co. of New York.

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The task force identifies opportunities for reorganizing the management system of the SSA and cites the lack of senior management continuity from the Commissioner level to key deputies and below, as a contributing factor to SSA's need for improved performance.

The report recommends initiating a comprehensive organizational reassessment of the SSA, which would include decentralizing selected headquarters activities and consolidating various field activities in a smaller number of larger facilities.

Need for the Commissioner's position to be viewed as a long-term "career" position, outside the vagaries of changes in national administrations, and central to the implementation of many recommendations is the upgrading of SSA's obsolete automated data processing system. The task force is critical of the SSA's automated data processing system, which is essential to the survival of the agency, but agrees and supports the initiatives currently underway to implement its ADP modernization plan.

Operational issues, including management supervision, consolidation of certain facilities, and erroneous payments, were also reviewed by the task force and identified as targets for improvements, with significant potential for savings.

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Cited by way of example was the SSA's Program Operating Manuals System (POMS), which is used by agency personnel responsible for preparing and/or processing claims.

The report notes that, at present, the manual contains some 25,000 pages, and is more than four feet thick. There are more than 12,000 revisions each year in the manual, which had an initial printing of 49,000 copies, at a cost of $4.4 million and an additional $6.3 million for shipping to outlaying offices.

Studies by the PPSSCC Task Force revealed that each person who has a manual is allowed one hour per week to review and file revisions, which number about 12,000 revisions per year. This suggests an average of 230 pages per week to scan and file, obviously not a task to be completed in one hour.

Improvement of the appellate system for Social Security Disability Claims was also reviewed by the task force, which recommended modifications throughout the disability claims appeal process to greatly improve efficiency, provide better management conditions, enhance the quality of fairness of decisions rendered, and reduce costs without detrimental effects on individual claimants' rights.

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The task force noted that rates at which earlier benefit denials are reversed increase as requests for disability claims progress along the appellate process, creating a significant backlog of cases, currently estimated at 150,000 cases. The report notes that on each progressive step through the system, there are continuing opportunities for success, with approximately 60 percent of disability claims heard by administrative law judges being reversed.

"Of the three-year total of $9.6 billion in recommended savings/revenue enhancements, $4.3 billion are fully substantiated by adequate documentation, and another $5.3 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT ON HHS-SOCIAL SECURITY ADMINISTRATION

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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

It is vitally important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey by private sector executives and specialists whose services were volunteered -- often on a part-time basis. This staff had the formidable task of bringing its expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full- or part-time employment.

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Despite these difficult and perplexing challenges -- all of which were anticipated at the onset -- a great deal of valuable work was performed. The recommendations contained in this Report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

The Task Force has sought to be realistic about the recommendations reported. The great majority of them, we believe, are fully substantiated. However, it would be misleading for the Team to leave the impression that each and every recommendation is rooted in a uniformly high level of research, analysis, and substantiation. The press of time, other business commitments, lack of adequate resources, and other constraints did not always permit the luxury of achieving this desired uniformity.

As a result, and to promote a realistic expectation of recommendations reported, the Task Force has evaluated the "supportability" of the recommendations on their management merits and has grouped them into three categories.

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.

- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

KEY

SMP - SYSTEM MODERNIZATION PLAN
AWR - ANNUAL WAGE REPORTING
AFDC - AID TO FAMILIES WITH DEPENDENT CHILDREN
FFL - FEDERAL FISCAL LIABILITY

THREE YEAR SAVINGS/REVENUE ENHANCEMENTS BY CATEGORY

		I	II	III
SSA 1:	Improved effectiveness of SMP (Recommendations SSA 1-1 through SSA 1-15)	*		
SSA 2:	Improvements to implement SMP (Recommendations SSA 2-1 through SSA 2-17)	*		
SSA 3:	Evaluation of AWR processing (Recommendations SSA 3-1 through SSA 3-4)	*		
SSA 4:	Management control of workflow (Recommendations SSA 4-1 through SSA 4-3)		1,266.5(S)	
SSA 5:	AFDC fiscal sanctions (Recommendations SSA 5-1 and 5-2)	241.0(S)		
SSA 6:	Earnings and Enforcement			
	o SSA 6-1: Collect earning reports 1980-1982	--		
	o SSA 6-2: Collect estimated earnings	--		
	o SSA 6-3: Adjust benefits based on projected earnings	2,532.0(S)		
	o SSA 6-4: Accelerate enforcement operations	445.0(S)		
	o SSA 6-5: Collect interest on overpayments	980.0(R)		
SSA 7:	Consolidation of SSA offices (Recommendations SSA 7-1 through SSA 7-3)		286.7(S)	
SSA 8:	Elimination of Federal Fiscal Liability payments			
	o SSA 8-1: Eliminate FFL Payments	92.6(S)		
	o SSA 8-2: Reduce QA Case Samples	23.2(S)		
SSA 9:	Simplified Program Operating Manuals (Recommendations SSA 9-1 through SSA 9-4)		82.8(S)	
SSA 10:	Implement simplified and streamlined appeals process		3,647.3(S)	
	Total cost savings (S)	3,333.8(S)	5,283.3(S)	
	Total revenue enhancements (R)	980.0(R)	--	
	Total savings/revenues	4,313.8	5,283.3(S)	

* Management improvements, not quantified

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REAGAN COST CONTROL PANEL OUTLINES $5.4 BILLION IN SAVINGS BY IMPROVING FEDERAL CONSTRUCTION MANAGEMENT

WASHINGTON, May 6--A three-year cost savings plan totalling approximately $5.4 billion was outlined today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC) by improving government construction procedures.

These recommendations will be considered on May 17th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The PPSSCC Task Force on Federal Construction Management was co-chaired by Robert J. Buckley, chairman and president of Allegheny International, Inc. of Pittsburgh; Raymond C. Foster, chairman, president and chief executive officer of Stone and Webster of New York; Melvyn Klein, president and chief executive officer of ALTAMIL Corporation of Corpus Christi, Texas; John W. Kluge, chairman, president and

(more)

chief executive officer of Metromedia, Inc. of New York; Frederick P. Rose, chairman of Rose Associates, Inc. of New York; and Paul J. Schierl, president and chief executive officer of Fort Howard Paper Co. of Green Bay, Wisconsin.

The Task Force report indicated that Federal construction projects are burdened by costs higher than those of the private sector, in part because there are no incentives for Federal employees to hold down costs. The report also noted that individual projects, as well as entire programs, have become burdened with costly requirements, yielding low or marginal benefits to the public.

In order to help reduce Federal construction costs, the Task Force recommended increasing the use of performance specifications prior to actual construction, and changing various environmental procedures and requirements. The report also recommended improving the construction program and project management.

"Of the three-year total of more than $5.4 billion in recommended savings, $613 million are fully substantiated by adequate documentation and another $4.8 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings and revenue enhancements are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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THE REPORT RECOMMENDATIONS - A PERSPECTIVE

It is vitally important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed in a politically charged atmosphere by private sector executives and specialists whose services were volunteered -- often on a part-time basis. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full- or part-time employment.

Despite these difficult and perplexing challenges -- all of which were anticipated at the outset -- a great deal of valuable work was performed. The recommendations contained in this Report, if implemented, will result in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

We have sought to be realistic about the recommendations reported. The great majority of them, we believe, are fully substantiated. However, it would be misleading for us to leave the impression that each and every recommendation is rooted in a uniformly high level of research, analysis, and substantiation. The press of time, other business commitments, lack of adequate resources, and other constraints did not always permit the luxury of achieving this desired uniformity.

As a result, and to promote a realistic expectation of recommendations reported, we have evaluated the "supportability" of the recommendations on their management merits and have grouped them into three categories.

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.

- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social, or economic conditions which may alter the supportability for implementing these recommendations. Accordingly, by grouping the recommendations along the above categories, it is possible to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of: (1) firm, (2) probable, and (3) potential savings opportunities, while recognizing that the proposed savings dollars themselves are of a "planning estimate" quality (i.e., generally statistically derived) and not yet of a "budget quality."

The Report Recommendations - An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following page.

[Matrix of recommendations on following page]

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PRIVATE SECTOR PANEL DETAILS COST REDUCTION PLAN FOR EPA/SBA/FEMA OF AT LEAST $1.8 BILLION

WASHINGTON, April 5 -- A report of the task force of The President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC) on the Environmental Protection Agency (EPA), the Small Business Administration (SBA), and the Federal Emergency Management Agency (FEMA) was made public today, containing proposed cost savings of more than $1.8 billion over a three-year period.

At a public meeting on April 15th, these recommendations will be considered by a Subcommittee of the Survey's Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co. of New York, for possible submission to the President.

The EPA/SBA/FEMA Task Force was co-chaired by William H. Bricker, chairman and chief executive officer of Diamond Shamrock Corporation of Dallas, and Ben F. Love, chairman and chief executive officer of Texas Commerce Bancshares, Inc. of Houston.

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"Of the three-year total of $1.8 billion of recommended savings, $1.5 billion are fully supported by adequate documentation and another $245.5 million are partially supported," Mr. Grace said.

"Besides the recommended ways to save money," the Private Sector Survey chairman said, "there are recommendations which we believe could result in revenue enhancement in the amount of $80.8 million."

Mr. Grace cautioned that in all of the PPSSCC work estimated savings are more of a "planning" quality and not of a precise "budget" quality.

# # #

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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THE REPORT RECOMMENDATIONS - A PERSPECTIVE

The recommendations in the EPA section of the Task Force Report are the product of an unprecedented and wide-ranging survey by private sector management personnel.

Every effort has been made to estimate accurately the savings from the Task Force's recommendations and the time necessary to implement these recommendations. We must emphasize, however, that the significance of the recommendations lies more in their validity than in the exact amounts of projected savings. Accordingly, we believe that evaluations of the study must focus on the management direction indicated by the recommendations.

The recommendations identify several areas in which the Agency's staff can be reduced. We continue to hold these conclusions valid for the subjects studied despite the debate - six months after this survey - about whether EPA has adequate personnel to perform its charge. The fact remains that all the major environmental laws anticipate the ultimate adoption of state implementation plans. We are firmly convinced that staff reductions of the magnitude outlined in this report are possible if EPA's Washington headquarters focuses on establishing policy, delegates responsibility for oversight to its 10 regional offices, and allows the state environmental agencies to perform the functions anticipated by Congress.

To promote a realistic expectation of the recommendations, we have evaluated and grouped them into three categories based on their management merit.

- Category I -- <u>Fully substantiated and defensible.</u> Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- Category II -- <u>Substantially documented and supportable</u>. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.

o Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

The Task Force believes that EPA and the Office of Management and Budget will find the recommendations worthy of implementation or referral to Congress for appropriate legislative action.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following pages:

[Matrix on following pages]

Recommendation	Category 3-Year Savings Opportunities ($ millions) (net of implementation costs)		
	I	II	III
EPA 1-1: Redirect construction grants program to states.	$46.3	$-0-	$-0-
EPA 1-2: Develop national construction grant program policy; oversee state implementation.	NE		
EPA 1-3: Resolve inconsistencies among construction grant program needs, funding levels, and compliance deadlines.	NE		
EPA 2-1: Accelerate delegation program to states.	17.8		
EPA 3-1: Consolidate categorical grants, and phase down Federal funding levels.		$120.0	
EPA 3-2: Modify state-matching and future level-of-effort funding to correspond with EPA 3-1.		NE	
EPA 3-3: Support development of nonconventional revenue sources for state programs.			NE
EPA 4-1: Use more class permits for treatment and storage of hazardous wastes.	48.7		
EPA 4-2: Expand use of general permitting AND EPA 4-3: Amend Clean Water Act to extend deadline for achievement of BAT guidelines and extend time limitations of NPDES permit life.		27.1	

Recommendation	Category 3-Year Savings Opportunities ($ millions) (net of implementation costs)		
	I	II	III
EPA 4-4: Discontinue NPDES grants to unqualified states after FY 1985.	$15.6	$-0-	$-0-
EPA 5-1: Simplify contract procurement process.		3.9	
EPA 5-2: Improve contract management.		59.0	
EPA 6-1: Close six regional laboratories.	21.4		
EPA 7-1: Centralize research data base; eliminate duplicative literature searches.	16.4		
EPA 7-2: Cease funding for Centers of Excellence.		11.2	
EPA 7-3: Eliminate Office of Research Grants and Centers.			2.1
EPA 7-4: Conduct more cooperative research agreements in house.		4.9	
EPA 7-5: Develop five-year research strategy.	NE		
EPA 8-1: Close Ada, OK research laboratory.	3.9		
EPA 8-2: Close Grosse Isle MI field station.	2.5		
EPA 9-1: Eliminate small organizational units.	4.5		
EPA 9-2: Eliminate non-career special assistant slots.		5.7	
EPA 9-3: Eliminate deputy positions at office level and below.		4.9	

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Recommendation	Category 3-Year Savings Opportunities ($ millions) (net of implementation costs)		
	I	II	III
EPA 9-4: Reduce personnel office staff.	$-0-	$12.9	$-0-
EPA 10-1: Redirect training and development program funds.	NE		
EPA 10-2: Amend IDP program.	NE		
EPA 10-3: Enforce meaningful standards of performance.	6.2		
EPA 11-1: Authorize implementation of EPA ADP report with modifications.	22.2		
EPA 11-2: Develop ADP systems manuals.	NE		
EPA 11-3: Initiate computer processing study.	NE		
EPA 12-1: Consolidate redundant budget work.		3.3	
EPA 12-2: Simplify procedures for managing office budgets.		.6	
EPA 12-3: Update Planning and Budget Manual.	NE		
EPA 12-4: Reestablish existing financial management system as Agency standard; improve system.	3.9		
EPA 12-5: Develop cost accounting system.	NE		
Total Cost Savings By Category	$209.4	$253.5	$2.1

NE = No estimate

THE REPORT RECOMMENDATIONS - A PERSPECTIVE

It is vitally important that the recommendations of the SBA Task Force be placed in perspective. They are the product of an unprecendented and wide-ranging survey that was performed in a politically-charged atmosphere by private sector executives and specialists whose services were volunteered - often on a part-time basis. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full- or part-time employment.

Despite these difficult and perplexing challenges -- all of which were anticipated at the onset -- a great deal of valuable work was performed. The recommendations contained in this Report, if implemented, will result in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

The PPSS Management Office established three levels on which to evaluate the recommendations' "supportability" on their management merits:

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensiblity of proceeding with their implementation.

- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

The Task Force analyses of cost-saving opportunities in the SBA were quite specifically focused. We sought a high quality of substantiation for each of our recommendations. We believe we have achieved that objective, that we brought to bear sufficient private sector expertise to yield a uniformly high level of supportability, and that each of our recommendations is fully defensible and deserving of prompt implementation. In the one case where time and resource constraints precluded a high level of supportability, we have identified the issue as an opportunity deserving further study.

The matrix on the following pages summarizes the three-year savings for each SBA recommendation. We should point out, however, that the savings dollars developed are only "planning estimates" (i.e., generally statistically derived) and, as presented, are not of "budget quality."

	Category/3 Year Saving(s) Revenue(r) Opportunities ($ millions)		
Recommendation	I	II	III
SBA 1-1: Reduce maximum loan guarantee percentage from 90 percent to 75 percent	$ 90 (S)	$ -0-	$ -0-
SBA 1-2: Eliminate direct loans	23 (S)		
SBA 1-3: Have banks, not SBA, liquidate troubled loans	9 (S)		
SBA 1-4: Utilize collection services to work charged-off loans	118 (S)		
SBA 1-5: Increase bank participation in special guaranty programs	7 (S)		
SBA 2-1: Improve monitoring of district loans & processes	-		
SBA 2-2: Cross train lending officers	-		
SBA 2-3: Improve timeliness and reliability of data	-		
SBA 2-4: Permit reporting to credit bureau	-		

Recommendation	Category/3 Year Saving(s) Revenue(r) Opportunities ($ millions) I	II	III
SBA 2-5: Develop clear criteria for departments	$-	$-	$-
SBA 2-6: Exercise right to deny liability in certain cases	-		
SBA 2-7: Set targets for charge-offs and past-dues	-		
SBA 3-1: Increase loan guaranty fee from 1 to 2 percent	60 (R)		
SBA 3-2: Transfer farm loans to Farmers Home Administration (FmHA), Department of Agriculture	-		
SBA 4-1: Discontinue disaster loans for insurable losses	63 (S)		
SBA 5-1: Discontinue disaster loans when other credit available	3 (S)		
SBA 5-2: Transfer farm disaster loans to FmHA	-		
SBA 6-1: Reduce maximum surety bond guaranty from 90 percent to 85 percent	30 (S)		
SBA 7-1: Increase charges to surety bond contractors	16 (R)		
SBA 8-1: Reduce idle funds for Small Business Investment Corporations	-		
SBA 9-1: Charge 1 percent user fee on SBIC borrowings	4 (R)		
SBA 10-1: Modify deposit schedule with the Federal Reserve System	* (S)		
SBA 10-2: Eliminate payment processing delays	1 (S)		
SBA 10-3: Accelerate payment forwarding to Denver Finance Center	3 (S)		

Recommendation	Category/3 Year Saving(S) Revenue(R) Opportunities ($ millions) I	II	III
SBA 10-4: Limit backdating of payments	* (S)		
SBA 11-1: Appoint Automated Data Processing Steering Committee	-		
SBA 11-2: Adopt and enforce formal software development methodology	-		
SBA 11-3: Review cost justification of Mass Storage Project	-		
SBA 12-1: Combine certain regions	1 (S)		
SBA 12-2: Close at least four branch offices	1 (S)		
SBA 12-3: Identify service area realignments	-		
TOTAL COST SAVINGS (S)	$ 350	$ -	$ -
TOTAL REVENUE GENERATIONS (R)	80	-	-

* Savings are less than $500,000

THE REPORT RECOMMENDATIONS - A PERSPECTIVE

It is important that the recommendations in the FEMA Task Force Report be placed in perspective. The PPSS Management Office established three levels on which to evaluate the recommendations "supportability" on their management merits:

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability of proceeding with their implementation.

- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implemetation.

Because it was narrowly focused (primarily on disaster assistance areas as described in the Executive Summary), the PPSS FEMA Task Force was adequately staffed to develop recommedations that are, in our judgment, fully supportable. We believe we accomplished this by applying our professional judgment to such data and information as exists. Where additional study and analysis is needed beyond the scope of the PPSS effort, we made appropriate recommendations.

While our recommendations do not speculate on the outcome of further analysis, the Task Force did make reasonable assumptions on possible future actions when preparing savings estimates. These estimates are, therefore, of a "plannning" quality (i.e., indicators of a reasonably expected magnitude of savings), rather than of a "budget" quality.

The following matrix summarizes the three-year savings for each FEMA issue:

Recommendation	Category/3 Year Savings/ Revenue Opportunities ($ millions) I	II	III
FEMA 1: Make National Flood Insurance Program self-sustaining	$ 660	$-0-	$-0-
FEMA 2: Eliminate disaster-assistance grants for insurable losses	273		
FEMA 3: Eliminate the U.S. Fire Administration	9		
FEMA 4: Improve strategic stock-pile management	-		
TOTAL SAVINGS	$ 942		

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BUSINESS GROUP'S COST CONTROL FINDINGS FOR DOE/FERC/NRC COULD REACH $2.8 BILLION

WASHINGTON, April 5 -- The President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC) today made public a preliminary task force report on the Department of Energy, Federal Energy Regulatory Commission and Nuclear Regulatory Commission (DOE/FERC/NRC) containing proposed cost savings, over three years, of at least $2.8 billion. These recommendations will be considered on April 15th by a Subcommittee of the Survey's Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co. of New York, for possible submission to the President.

The PPSSCC DOE/FERC/NRC Task Force was headed by Roger Milliken, president and chief executive officer of Milliken & Co. of Spartanburg, SC, and John W. Hanley, chairman and chief executive officer of Monsanto Company of St. Louis.

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"Of the three-year total of $2.8 billion of recommended savings, $2.3 billion are fully supported by adequate documentation and another $505.7 million are partially supported," Mr. Grace said. He also noted that $5.4 million in savings over a three-year period require further study.

"Besides the recommended ways to save money," the Private Sector Survey chairman said, "there are recommendations which we believe could result in revenue enhancement in the amount of $1.2 billion."

Mr. Grace cautioned that in all of the PPSSCC work estimated savings are more of a "planning" quality and not of a precise "budget" quality.

# # #

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT FOR THE DEPARTMENT OF ENERGY

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Spartanburg, SC

THE REPORT RECOMMENDATIONS - A PERSPECTIVE

It is vitally important that the recommendations in PPSS Task Force Reports be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed in a politically-charged atmosphere by private sector executives and specialists whose services were volunteered - often on a part-time basis. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full or part-time employment.

Despite these difficult and perplexing challenges - all of which were anticipated at the onset - a great deal of valuable work was performed. The recommendations contained in this Report, if implemented, will result in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

Each Task Force has sought to be realistic about the recommendations reported. The great majority of them, we in the PPSS Management Office believe, are fully substantiated. However, it would be misleading for us to leave the impression that each and every recommendation is rooted in a uniformly high level of research, analysis, and substantiation.

The press of time, other business commitments, lack of adequate resources, and other constraints did not always permit the luxury of achieving this desired uniformity.

As a result, and to promote a realistic expectation of recommendations reported, the Management Office has evaluated the "supportability" of the recommendations on their management merits and has grouped them into three categories.

- o Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in this Report, but all indications point to desirability and defensibility of proceeding with their implementation.

- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social or economic conditions which may alter the supportability for implementing these recommendations. Accordingly, by grouping the recommendations along the above categories, it is possible to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of: (1) firm, (2) probable, and (3) potential savings opportunities, while recognizing that the proposed savings dollars themselves are of a "planning estimate" quality (i.e., generally statistically derived) and not yet of a "budget quality".

The Report Recommendations - A PPSS Management Office Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following pages:

	Category/3-Year Savings/Revenue Opportunities ($ millions)		
	I	II	III
Organization and Personnel System			
ENERGY 1: Improve supervisory costs by reducing management levels and increasing span of control	$ 19(S)	$--	$--
ENERGY 2: Improve job classification and management training		$--	
Procurement and Contracting			
ENERGY 3: Reduce DOE overmanagement of GOCO operations	495(S)		
ENERGY 4: Place higher priority on contracting out under OMB Circular A-76	59(S)		
ENERGY 5: Simplify procurement rules, regulations, and procedures and increase competitive contracting	208(S)		
ENERGY 6: Improve grant funds management and close-outs		9(S)	
ENERGY 7: Improve operation and reduce unnecessary costs in Strategic Petroleum Reserve	1,254(S)		
Accounting, Financial, and Data System			
ENERGY 8: Centralize financial data and reporting		12(S)	
ENERGY 9: Improve ADP equipment utilization	30(S)		
ENERGY 10: Strengthen Inspector General function and increase staff		73(S)	
Research and Development			
ENERGY 11: Establish mission for multi-program National Laboratories		--	
ENERGY 12: Eliminate DOE overmanagement of contract R&D		See ENERGY 11	

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	Category/3-Year Savings/Revenue Opportunities ($ millions)		
	I	II	III
Research and Development (cont'd)			
ENERGY 13: DOE propose a 3-year rolling R&D budget procedure	$--	$412(S)	$--
ENERGY 14: Develop more DOE-industry interaction in R&D			--
Defense Programs			
ENERGY 15: Give priority to funding Special Nuclear Materials and proceed with new production reactor		--	
ENERGY 16: Support expeditious completion of Defense Waste Processing facility		--	
ENERGY 17: Terminate one of three current approaches to Inertial Confinement Fusion	134(S)		
ENERGY 18: Utilize Defense Industrial Security program versus more expensive current procedures	50(S)		
Power Marketing Administrations (PMA)			
ENERGY 19: a) Put PMA rates on sound business basis, and b) Sell Alaska PMA	1,170(R)		5(S)
The Federal Energy Regulatory Commission (FERC)			
ENERGY 20: Improve MIS, streamline procedures (including increasing generic rule-making), reduce case handling times, eliminate Federal regulation of oil pipeline rates, raise licensing exemption for hydro power from 5mw to 15mw	30(S)		
The Nuclear Regulatory Commission (NRC)			
ENERGY 21: By employing pre-approval of standard designs and site criteria, integral construction-operational licensing, strengthening management role of the Chairman, and other administrative reforms improve the NRC's safety focus and management capability	--		
TOTAL COST SAVINGS (S) BY CATEGORY	$2,279	$506	$ 5
TOTAL REVENUE GENERATION (R) BY CATEGORY	$1,170	$ --	$ --

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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PRESIDENTIAL ADVISORY GROUP OUTLINES $2.3 BILLION IN SAVINGS FOR EDUCATION DEPARTMENT

WASHINGTON, June 3--The Department of Education can achieve cost savings of approximately $2.3 billion over a three-year period without reducing financial aid or services to the academic community or students, according to a report issued today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC).

These recommendations will now be considered on June 13th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Department of Education task force was co-chaired by Spencer F. Eccles, chairman, president and chief executive officer of First Security Corp. of Salt Lake City, Utah; Alfred H. Kingon, former editor-in-chief of Financial World magazine of

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New York; Nathan R. Owen, chairman and chief executive officer of General Signal Corporation of Stamford, Connecticut; Robert H. Willis, chairman and president of Connecticut Natural Gas Corporation of Hartford.

The Education Department maintains a highly visible and active position as a financial institution, yet it lacks experienced financial managers, staff, and automated data processing support capabilities of successful commercial banks.

Among its many recommendations, the task force proposes the consolidation of the National Direct Student Loan and the Federally Insured Student Loan programs into the Guaranteed Student Loan (GSL) program which will result in more efficient administration of student loans with lower default rates and interest savings in excess of $70 million over three years.

It also reported that the Department's cash flow position can be significantly improved and interest savings of over $500 million in three years achieved by modifying the GSL program so that loan payments to students are made in increments as required during the course of the year, rather than in a lump sum.

Additional changes in financial policies and management procedures are recommended by the task force. The current automated data processing systems are fragmented throughout the

Department with the result that existing resources are not used effectively. Some systems are more than ten years old. These systems are not adequate to receive and process information efficiently for the payment of grants, contracts and loans. Recommendations by the Task Force to improve financial management policies and procedures, as well as ADP systems enhancements, could result in three year savings of $782 million.

Of the $25 billion in outstanding student loans, almost 10 percent is in the default. In the Direct Loan program, the Department is hampered in collections because of poor data submitted by the affected schools. As many as 55,000 loans lack loan amounts, loan dates, amounts repaid, or even the social security number of the borrower. In the GSL program the Department does not learn about defaults under the current system until a demand is made on the government as guarantor; this can be as long as two years from the time of default. The Task Force recommends improved procedures which could recover in excess of $60 million over three years.

"Of the three-year total of $2.3 billion in recommended savings, $2 billion are fully substantiated by adequate documentation, and another $0.3 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

END

A

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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DEFENSE DEPARTMENT PANEL PROJECTS $45 BILLION IN COST SAVINGS

WASHINGTON, June 30--The Office of the Secretary of Defense can achieve three-year cost savings of up to $44.7 billion, "without diminishment of the defense program," through a wide-ranging series of recommendations released today by a task force of the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC).

It should be noted however that some of the recommendations would take several years to be implemented, and the achievement of 80 percent of the savings will require some action by Congress.

These recommendations will be considered on July 13th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The office of the Secretary of Defense Task Force was co-chaired by Robert A. Beck, chairman and chief executive officer of the Prudential Insurance Co.; Carter L. Burgess, chairman, executive committee, Foreign Policy Association; James E. Burke, chairman and chief executive officer, Johnson & Johnson; and Carl D. Covitz, president, Landmark Communities, Inc.

(more)

Among the major task force recommendations are the reorganization of the executive structure of the Defense Department itself; improvement in the weapons acquisition function; formation of a commission to study base realignments and closures; redesign of Defense Department retirement programs and consolidated management of the entire military health care system.

The task force said that if its recommendations were to be fully implemented, average annual savings of about $19 billion would ensue.

"Almost 40 percent of the recommended savings can be derived from improved management of the weapons acquisition process," according to the task force report.

Throughout the acquisition system in DOD, there are major overlaps of function in the office of the Secretary of Defense, and the Services, which make the process of acquiring major weapons more costly and more time consuming than necessary.

The task force made nine recommendations to improve the weapons acquistion process, including consolidation of the function itself. Discipline in limiting overly-rigorous military specifications and encouraging greater use of common parts will also yield very significant savings, the report noted. So, too, will simplification of existing regulatory constraints.

(more)

Included in the recommendations for improved management is the creation of a Defense Executive Office to include the Secretary of Defense, the Service Secretaries, the Chairman of the Joint Chiefs of Staff, and the Deputy Secretary of Defense.

The task force noted, "Placing top DOD officials in a coordinating role with the Secretary of Defense will strengthen the DOD wide decision-making process, provide better representation of individual Service views at the top of the organization, and establish a base from which to achieve better unified decisions and actions among the Services."

The Department of Defense employs three million persons and its annual budget (1983E) is almost $240 billion.

On the topic of military base realignments, the task force noted that "the cost of maintaining unnecessary bases ranges from $2 billion to $5 billion."

The report added, "Since 1968, the DOD worldwide military and civilian employee population decreased from five million to three million. Some progress was made early in the ensuing period with respect to base realignments and closures, but the effort has virtually dried up."

It does not appear coincidental, the report continued, "that such economies stopped in the mid-1970s, after Congress enacted legislation requiring DOD to prepare detailed studies of base closings and realignments, with advance notice to Congress and the public of proposed studies, and providing for Congressional review of the completed studies before implementation."

The task force is recommending that the President appoint an independent bipartisan commission to make a thorough study of the base realignment problem. It suggests the commission have substantial representation of retired senior military officers.

The task force added that, in addition to making specific recommendations on base realignments, the commission should be charged with the responsibility of determining the extent to which non-military considerations (i.e., political pressures, broadly defined) interfere with rational, cost-effective military decisions.

Focusing its attention on military retirement plans, the task force observed that "retirement pay for military personnel is rapidly becoming unaffordable for the nation. A system that starts retirement pay as early as age 37, with benefits (after 20 years of service) equal to half of terminal base pay or more, generates an enormous outlay for DOD. Given the expected life span of a 37-year old retiree, it is probable that the total amount he or she receives in retirement pay will exceed the total received for active duty compensation, even before allowances for inflation."

The task force made four retirement recommendations which would generate $6.9 billion in savings during the first three years that savings could be achieved. They include raising the number of years at which full retirement benefits are

(more)

collectible from the present 20 years to 30, while providing reduced benefits for those who choose to start collecting earlier. In addition, the task force recommended improving vesting provisions with vesting occurring after 12 years instead of 20. Alternatively, an earned income offset to retirement income, similar in concept to the Social Security earned income offset, could be instituted for those who earn more than a threshold amount. Under the alternative, the benefits of those who cannot work, or choose to fully retire, would not change.

The task force closely scrutinized the Department of Defense Health Care programs and concluded the DOD should consolidate military health care management under a Defense Health Agency, which should be responsible for administering and developing policy for the military health care system.

The task force also recommended that the DOD should introduce more effective cost containment measures in the military health care system and make modifications to the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

The task force emphasized that the premise underlying all of its 40 recommendations "is that the nation's preparedness level be maintained or improved, while unnecessary costs of delivering that level of preparedness be eliminated. The suggestions made are intended to strenghten military readiness by more efficient use of those dollars which are made available for the national defense."

(more)

"Of the three-year total of $44.7 billion in savings and revenue generation, $39.7 billion are fully substantiated by adequate documentation, and another $5.0 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

#

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT ON THE OFFICE OF THE SECRETARY OF DEFENSE

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Carter L. Burgess
Roanoke, VA

Carl D. Covitz
President
Landmark Communities, Inc.

Project Manager

Bill Tremayne
Prudential Life Insurance Co.

The Report Recommendations -- A Perspective

It is vitally important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed by private sector executives and specialists whose services were volunteered. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months.

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Despite these difficult and perplexing challenges -- all of which were anticipated at the onset -- a great deal of valuable work was performed. The recommendations contained in this Report, if implemented, will result in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

We have sought to be realistic about the recommendations reported. The great majority of them, we believe, are fully substantiated. However, it would be misleading for us to leave the impression that each and every recommendation is rooted in a uniformly high level of research, analysis, and substantiation. The press of time, other business commitments, lack of adequate resources, and other constraints did not always permit the luxury of achieving this desired uniformity.

As a result, and to promote a realistic expectation of recommendations reported, we have evaluated the supportability of the recommendations on their management merits and have grouped them into three categories.

- o Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.
- o Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.
- o Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social, or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of: (1) firm, (2) probable, and (3) potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the

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Issue		Category/Three Year-Savings (S) or Revenue Generation (R) ($ millions)		
		I	II	III
OSD 1:	Procure petroleum products by competitive bid.	$514(S)		
OSD 2:	Upgrade existing inventory data systems.	$6,075(S)		
OSD 3:	Transfer consumable inventory items to DLA.	$124(S)		
OSD 4:	Consolidate depot level maintenance facilities and management functions.	$590(S)		
OSD 5:	Consolidate wholesale depot operations.		$116(S)	
OSD 6:	Contract out to private sector for demilitarization of conventional ammunition.	$207(S)		
OSD 7:	Contract out under provisions of OMB Circular A-76.	$460(S)		
OSD 8:	Consolidate base support operations across service lines.	$993(S)		
OSD 9:	Realign or close military bases where there are significant saving opportunities.		$2,732(S)	
OSD 10:	Centralize traffic management functions in a single agency.	$84(S)		
OSD 11:	Procure ocean container transportation separately from inland container transportation services.	$25(S)		
OSD 12:	Establish a cargo dispatch function to minimize DOD container detention charges.	$6(S)		
OSD 13:	Integrate Cargo Data Interchange System into DOD program to upgrade its cargo tracking and documentation capabilities.		$5(S)	
OSD 14:	Introduce competitive rate program for movement of household goods to Alaska and Hawaii, and require proper packaging for household goods moved to Alaska by sea.	$69(S)		
OSD 15:	Consolidate the management of the weapons, acquisition function at the OSD level.	1/		
OSD 16:	Consolidate contract administration functions at the OSD level.	$298(S)		

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Issue		Category/Three-Year Savings (S) or Revenue Generation (R) ($ millions)		
		I	II	III
OSD 17:	Modify the Defense Acquisition Regulations to simplify and streamline complex regulatory procedures.	1/		
OSD 18:	Eliminate complex regulatory requirements associated with contractors' recovery of IR&D expenditures.	$331(S)		
OSD 19:	Improve communications between the DOD laboratories and the services, and require more effective coordination of research programs among the labs.	$1,594(S)		
OSD 20:	Where feasible, require the use of common parts in weapons systems and allow tailoring of military standards for specific systems.	$7,182(S)		
OSD 21:	Limit the number of new weapons programs initiated each year relative to projections of available dollars to fund the systems through the production phase.	$1,523(S)		
OSD 22:	Modify existing procedures to ensure more accurate estimates of weapons system costs, and assign the responsibility for monitoring affordability of proposed weapons systems to the DOD Comptroller.	2/		
OSD 23:	Commit to stable five-year spending plans for weapons systems. Where feasible, introduce multiyear procurement contracts.	$7,185(S)		
OSD 24:	Delay full entitlement to retirement income until 30 years after service entry date.	$6,401(S)		
OSD 25:	Integrate military retirement pay with Social Security benefits.	$274(S)		
OSD 26:	Base military retirement pay on the average of the retiring member's highest 36 months of base pay.	$122(S)		
OSD 27:	Defer the commencement of retirement payments until a member has utilized all accumulated leave.	$126(S)		

Issue		Category/Three-Year Savings (S) or Revenue Generation (R) ($ millions)		
		I	II	III
OSD 28:	Restrict the use of CHAMPUS by beneficiaries who reside in catchment areas.	$1,179(S)		
OSD 29:	Consolidate management of DOD health care resources under a Defense Health Agency.	$944(S)		
OSD 30:	Require more effective cost containment provisions in the military health care system.	$933(S)		
OSD 31:	Discontinue operation of the Uniformed Services University of the Health Sciences.	$117(S)		
OSD 32:	Discontinue operation of commissaries in the continental U.S.	$973(S)		
OSD 33:	Strictly limit the number of exceptions to existing policy on permanent change of station moves.		$331(S)	
OSD 34:	Restrict payments under the Selective Reenlistment Bonus program to skill areas manned at less than 100% of desired levels, and eliminate payments for members with ten or more years of service.	$626(S)		
OSD 35:	Eliminate aviation career incentive pay for members who do not serve on regular and frequent flight duty. Also, reduce payments for members with more than 12 years of service.	$262(S)		
OSD 36:	Establish a DOD Public Audit Committee, comprised of members from the private sector, to review and advise the Secretary of Defense on DOD's internal audit practices and controls.	1/		
OSD 37:	Establish a central audit group with responsibility for internal audit of all DOD procurement practices.		$1,655(S)	
OSD 38:	Contract out the freight bill audit function and credit dollars recovered to the budgets of the transportation procurers.	$247(S)		

Issue	Category/Three-Year Savings (S) or Revenue Generation (R) ($ millions)		
	I	II	III
OSD 39: Improve controls over government furnished materials which are provided to maintenance and production contractors.		$132(S)	
OSD 40: Consolidate the responsibility for implementing administering, and monitoring the pricing policies for foreign military sales under the DOD Comptroller.	$249(S)		
Total cost savings by category	$39,713(S)	$4,971(S)	

Total -- all recommendations $44,684 billion

1/ Savings not quantified.

2/ Savings included in estimate for OSD 23.

Revised as of June 10, 1983

TENTATIVE SCHEDULE

REPORT	FEDERAL REGISTER NOTICE	DATE REPORT IN PUBLIC READING ROOM	SUBCOMMITTEE MEETING DATE
Commerce	3/31	4/5	4/15
USDA	3/31	4/5	4/15
DOE-NRC	3/31	4/5	4/15
HHS-Other, Hum Dev, Action	3/31	4/5	4/15
EPA/SBA/FEMA	3/31	4/5	4/15
Personnel	3/31	4/5	4/15
DOT	4/15	4/18	5/2
HHS-Health - HCFA - PHS	4/15	4/18	5/2
FAM	4/15	4/18	5/2
HUD	4/15	4/18	5/2
Interior	4/15	4/18	5/2
Hospital Management	4/30	5/6	5/17
Federal Construction	4/30	5/6	5/17
Labor	4/30	5/6	5/17
Real Property	4/30	5/6	5/17
Veterans Adminis.	4/30	5/6	5/17
Boards/Commissions-Business	4/30	5/16	5/26
Boards/Commissions-Banking	5/11	5/16	5/26
User Charges	5/11	5/16	5/26
Low Income Standards	5/11	5/16	5/26
State/~~ICA~~/USIA/AID	5/11	5/16	5/26
Land/Facilities	5/11	5/16	5/26
HHS-SSA	5/11	6/3	6/13
Education	5/24	6/3	6/13
Procurement	5/24	6/3	6/13
ADP Systs	5/24	6/3	6/13
Federal Mgmt. ~~Process~~	5/24	6/3	6/13
Air Force	6/27	6/30	7/13
Army	6/27	6/30	7/13
OSD	6/27	6/30	7/13
Navy	6/27	6/30	7/13
Treasury	6/27	6/30	7/13
Federal Feeding	6/27	6/30	7/13
R&D	6/27	6/30	7/13
Privatization	6/27	6/30	7/13
Justice	6/27	6/30	7/13
Management Office 1. Printing + Publishing Selected Issues 2. Travel Traffic Mgt	6/27	6/30	7/13
MOSIR	?	9/12	?
PRESIDENT'S REPORT	?	9/12	?

The Press Briefing on 6/30 will be held at 11 a.m. in room 68~~20~~ 07, Commerce Department. The Subcommittee scheduled for 7/13 will be at 10 a.m. in the Commerce Department Auditorium.

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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BUSINESS PANEL CONSIDERING COST REDUCTION PLAN FOR COMMERCE DEPARTMENT

WASHINGTON, April 5 -- The President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC) today made public a task force report on the Commerce Department containing proposed cost savings, over three years, of at least $198 million. These recommendations will be considered on April 15th by a Subcommittee of the Survey's Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co. of New York, for possible submission to the President.

The PPSSCC Commerce Department Task Force, was headed by Amory Houghton, chairman and chief executive officer of Corning Glass Works, Corning, N.Y. and Robert V. Van Fossan, chairman and chief executive officer of Mutual Benefit Insurance Company, Newark, N.J.

(more)

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"Of the three-year total of $198 million of recommended savings $145 million are fully supported by adequate documentation and another $53 million are partially supported." Mr. Grace also said $6.5 million in savings over a three-year period require further study.

"Besides the recommended ways to save money," the Private Sector Survey chairman said, "there are recommendations which we believe could result in revenue enhancement in the amount of $533 million.

Mr. Grace cautioned that in all of the PPSSCC work estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT FOR COMMERCE DEPARTMENT

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It is vitally important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed in a politically-charged atmosphere by private sector executives and specialists whose services were volunteered--often on a part-time basis. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full or part-time employment.

Despite these difficult and perplexing challenges -- all of which were anticipated at the onset -- a great deal of valuable work was performed. The recommendations contained in this Report, if implemented, will result in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

We have sought to be realistic about the recommendations reported. The great majority of them, we believe, are fully substantiated. However, it would be misleading for us to leave the impression that each and every recommendation is rooted in a uniformly high level of research, analysis, and substantiation. The press of time, other business commitments, lack of adequate resources, and other constraints did not always permit the luxury of achieving this desired uniformity.

As a result, and to promote a realistic expectation of recommendations reported, we have evaluated the "supportability" of the recommendations on their management merits and have grouped them into three categories.

- Category I -- Fully Substantiated and Defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.

- Category II -- Substantially Documented and Supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.

- Category III -- Potentially Justifiable and Supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social or economic conditions which may alter the supportability for implementating these recommendations. Accordingly, it is possible, by grouping the recommendations along the above categories, to more effectively assess the cost savings that can be expected. This analysis permits summary estimates of: (I) firm, (II) probable, and (III) potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following pages:

Identification	Thrust of Recommendations	Category/3-Year Savings/ Revenue Opportunities ($ millions) I	II	III
COMMERCE 1-1	That the International Trade Administration be restructured and reduce its staff by 800.	60(S)		
COMMERCE 2-1	That the Bureau of the Census revise the procurement process it is using to upgrade its computer-related systems.	14.8(S)		
COMMERCE 3-1	That the Bureau of the Census cancel its plans to put "map output devices" in its 12 regional offices.		12(S) (in 1987)	
COMMERCE 4-1	That the Economic Development Administration (EDA) increase the emphasis placed on terminating grants which are in violation of grant agreement terms.	60(S)		
COMMERCE 5-1	That the Economic Development Administration (EDA) increase the emphasis placed on collecting outstanding debts.	15(S)		
COMMERCE 6-1	That the Patent and Trademark Office reassess its needs for computer-based workstations.	(Savings by 1990 of $86 million)		3(S)
COMMERCE 7-1 and 7-2	That the Patent and Trademark Office hire fewer examiners than called for in its current plan and increase its use of Industrial Engineering principles.		8(S)	

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Identification	Thrust of Recommendations	Category/3-Year Savings/ Revenue Opportunities ($ millions) I	II	III
COMMERCE 8-1 through 8-3	That the process of reviewing National Bureau of Standards projects be enhanced.		45(S)	
COMMERCE 9-1 through 9-3	That the National Bureau of Standards increase the ratio of technicians to professionals in its laboratories.			3.5(S)
COMMERCE 10-1 and 10-2	That the National Oceanic and Atmospheric Administration sell the "right" to price civil land remote sensing satellite data.	497(R)		
COMMERCE 11-1 through 11-3	That the National Oceanic and Atmospheric Administration raise prices on maps and charts 25% per year.		21(R)	
COMMERCE 12-1	That the Federal funding for NOAA weather radio be terminated.	11(S)		
	Total Cost Savings (S) by Category*	$145.8	$ 53	$ 6.5
	Total Revenue Generation (R) by Category*	$512	$ 21	

*There are additional savings and revenue opportunities beyond three-years.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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COST SAVING PANEL RECOMMENDS $9.4 BILLION IN SAVINGS FOR GOVERNMENT BANKING RELATED COMMISSIONS

WASHINGTON, May 16--Thirteen banking regulatory agencies covered in a task force report made public today can save approximately $9.4 billion over a three-year period according to the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC). These recommendations will be considered on May 26th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Boards/Commissions-Banking Task Force was co-chaired by Fletcher Byrom, formerly chief executive officer of Koppers Corp. Inc. of Pittsburgh; J. T. Tyler McConnell, chairman and chief executive officer of Delaware Trust Company of Wilmington; and Robert T. Powers, chairman of NALCO Chemical of Oak Brook, Illinois.

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The Boards/Commissions-Banking Task Force reviewed thirteen regulatory agencies, including the Bank Regulation Section of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal National Mortgage Association, the Farm Credit Administration, the U.S. Synthetic Fuels Corporation, and the Export/Import Bank.

The most significant issue identified by the Task Force was the privatization of the quasi-governmental agencies. These agencies, which are privately owned (e.g., the Farm Credit Bank System), were established many years ago when the industries they serve, and the U.S. economy, were different. However, they still retain certain privileges granted at their founding, including favored tax status and the ability to borrow from the Federal Financing Bank (FFB), the Treasury, or in the public markets with agency status.

The report recommends initiating a process designed to encourage the agencies to seek full private status with enough transition time for all affected to adjust. It also proposes that such quasi-private bodies be subject to some form of income tax, and be subject to a user-charge for the use of agency status on borrowings from the Treasury or FFB.

Citing the dramatically changing environment of the financial services industry because of acquisitions and diversification, and the entry of non-traditional banking organizations, the report recommends consolidating the commercial bank regulatory and examination bodies, including

(more)

the regulatory arm of the Federal Reserve System and the Federal Deposit Insurance Corporation. The report states that, with minor exception, the mission of all these bodies is the same, differing primarily only in the corporate structures of the banks upon which they focus.

The report also concluded that because credit unions now function like other financial institutions and compete directly with them, the report recommends they be comparably taxed and that the Central Liquidity Facility be dissolved because credit unions have access to the Federal Reserve for liquidity purposes.

With respect to the Railroad Retirement Board (RRB), the report recommended the tax rate for Railroad Unemployment and Sickness Insurance be increased to adequately fund the system. Also, the Tier 2 element of the RRB retirement system (the only private industry pension system that is federally sponsored, controlled and subsidized) should be privatized and treated the same as other private retirement programs, according to the report.

"Of the three-year total of $9.4 billion in savings, $9.2 billion are fully substantiated by adequate documentation, and another $200 million are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

TASK FORCE REPORT ON BOARDS/COMMISSIONS-BANKING

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Project Manager

Don Caldwell
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It is vitally important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed in a politically charged atmosphere by private sector executives and specialists whose services were volunteered -- often on a part-time basis. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the span of a few months. Frequently, these efforts were expended while holding down other full- or part-time employment.

Despite these difficult and perplexing challenges -- all of which were anticipated at the onset -- a great deal of valuable work was performed. The recommendations contained in this Report will result, if implemented, in real and significant savings and other benefits to American taxpayers who pay for these Federal programs and operations.

We have sought to be realistic about the recommendations reported. The great majority of them, we believe, are fully substantiated. However, it would be misleading for us to leave the impression that all recommendations are rooted in a uniformly high level of research, analysis, and substantiation. The press of time, other business commitments, lack of adequate resources, and other constraints did not always enable us to achieve this desired uniformity.

The President's Private Sector Survey Management Office established three levels on which to evaluate the recommendations' "supportability" on their management merits:

- o Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.
- o Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.
- o Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social, or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of firm, probable, and potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the following matrix:

Category/3-year Savings/Revenue/
Cash Acceleration Opportunities (cont'd)
($ millions)

Bank Issues	I	II	III
1	$ 324.1 (R)		
2	30.1 (S)		
3	262.0 (CA)		
	54.0 (S)		
4		$ 132.4 (R)	
5	3,194.0 (R)		
6	*		
7	*		
8	1.7 (S)		
9		*	
10	331.0 (R)		
11	1,442.0 (R)		
12	1,236.2 (S)		
13	546.1 (R)		
	259.0 (CA)		
14	85.8 (S)		
15	26.2 (S)		
16	23.9 (S)		
17		3.3 (S)	
18	*		
19	*		
20		20.0 (S)	
21	10.9 (S)		
22	*		
23	379.0 (R)		
24		5.0 (S)	
25	*		

* Management improvement, not quantified.

Category/3-year Savings/Revenue/
Cash Acceleration Opportunities (cont'd)
($ millions)

Bank Issues	I	II	III
26	$ 1.5 (S)		
27	57.6 (S)		
28	24.3 (S)		
29		7.2 (S)	
30	6.9 (S)		
31		3.3 (S)	
32	*		
33	*		
34	54.2 (R)		
35	*	0.4 (S)	
36		6.8 (R)	
37	*		
38	648.1 (R)		
39	*		
40	724.2 (R)		
41		18.1 (S)	
Total Cost Savings (S) by Category	$1,559.1	$ 57.3	--
Total Revenue Generation (R) by Category	$ 7,642.7	139.2	--
Total Cash Acceleration (CA) by Category	$ 521.0	--	--
Totals	$ 9,722.8	$ 196.5	--

* Management improvement, not quantified.

A

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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FEDERAL BUSINESS RELATED BOARDS AND COMMISSIONS CAN ACHIEVE $3.3 BILLION IN SAVINGS ACCORDING TO PRIVATE SECTOR SURVEY FINDINGS

WASHINGTON, May 16--Improvements in the Federal Government's business related boards and commissions can be achieved with potential savings of $3.3 billion, according to a task force report released today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC).

These recommendations will be considered on May 26th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Boards/Commissions-Business Task Force was co-chaired by George H. Dixon, president of First Bank Systems, Inc. of Minneapolis; Edward Donley, chairman and chief executive officer of Air Products & Chemicals, Inc. of Allentown, Pennsylvania; Robert A. Pritzker, president of The Marmon Group of Chicago; John M. Regan, chairman and chief executive officer of Marsh & McLennan Companies, Inc.; Thomas I. Storrs, chairman

(more)

of NCNB Corp. of Charlotte, North Carolina; and Rawleigh Warner, chairman of the Board and chief executive officer of Mobil Corporation of New York.

This task force reviewed the operations of the United States Postal Service (USPS), the Tennessee Valley Authority (TVA), eight regulatory commissions, and various Federal insurance programs.

Recommendations for the USPS include changes in planning, organizational structure and systems. Citing various methods for the USPS to stay competitive with the private sector, the report recommends devoting more attention to product management, account management and new product research. Marketing tools are potential methods for boosting acceptance. In addition, implementation of the ZIP+4 program could greatly increase savings.

Continuation and acceleration of automated mail processing and delivery systems, in addition to better planning of transportation routes, could also help realize large savings.

Various recommendations were made in the Federal insurance programs reviewed, including converting the Federal Riot Insurance and Federal Crime Insurance programs to private sector operation. This will improve Federal finances without increasing costs or decreasing benefits to consumers.

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Also recommended were management improvements to decrease the number of defaults in the Federal Housing Authority's hospital mortgage program and applying private sector mortgage practices to the operation of the Mutual Mortgage Insurance Fund.

The report also proposes eliminating duplications of effort at the TVA's Office of Engineering Design and Construction and phasing in over three years a series of user charges for services currently provided under the National Fertilizer Development Program at TVA expense.

Regarding the eight Federal regulatory commissions studied, the task force recommends establishing user fees to help recapture costs at the Federal Communications Commission. In addition, management improvements which can help save costs. Also, the report cites revenue generation methods for the Commodity Futures Trading Commission by collecting transaction fees.

In addition to recommending improvements in the organizations of these agencies, the survey also notes that any savings realized by the agencies as a result of these recommendations be offset by reductions in the Federal funds provided by the U.S. Treasury. If not, the PPSSCC task force states that savings will result to users of agency services, but not to the Government and taxpayers.

(more)

"Of the three-year total of $3.3 billion in savings and revenue generation, $2.4 billion are fully substantiated by adequate documentation, and another $904 million are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

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John M. Regan
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Thomas Storrs
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Rawleigh Warner, Jr.
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It is vitally important that the recommendations in this Task Force report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed in a politically-charged atmosphere by private sector executives and specialists whose services were volunteered -- often on a part-time basis. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full- or part-time employment.

Despite these difficult and perplexing challenges -- all of which were anticipated at the onset -- a great deal of valuable work was performed. The recommendations contained in this Report, if implemented, will result in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

We have sought to be realistic about the recommendations reported. The great majority of them, we believe, are fully substantiated. However, it would be misleading for us to leave the impression that each and every recommendation is rooted in a uniformly high level of research, analysis, and substantiation . The press of time, other business commitments, lack of adequate resources, and other constraints did not always permit the luxury of achieving this desired uniformity.

As a result, and to promote a realistic expectation of recommendations reported, we have evaluated the "supportability" of the recommendations on their management merits and have grouped them into three cagetories.

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These category descriptors do not take into account political, social or economic conditions which may alter the supportability for implementing these recommendations. Accordingly, by grouping the recommendations along the above categories, it is possible to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of: (1) firm, (2) probable, and (3) potential savings opportunities, while recognizing that the proposed savings dollars themselves are of a "planning estimate" quality (i.e., generally statistically derived) and not yet of a "budget quality."

The Report Recommendations - An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the following matrix:

No.	Issue	THREE-YEAR SAVINGS (S)/ REVENUE OPPORTUNITIES (R) ($ millions) Category I	Category II	Category III
A.	**Civil Aeronautics Board (CAB)**			
1	Sunset Head Count and Staffing	$7.4 (S)	$ —	$ —
2	Early Sunset	3.1 (S)		
3	Fitness Determinations	1.3 (S)		29.8 (S)
B.	**Commodity Futures Trading Commission (CFTC)**			
1	Management Improvements	NQ (S)		
2	User Fees	39.7 (R)		
C.	**Consumer Product Safety Commission (CPSC)**			
1	Organization Study	3.8 (S)		
2	Administration Directorate Study		2.9 (S)	
3	Automated Data Processing	0.9 (S)		
4	Headquarters and Field Offices			0.8 (S)
D.	**Federal Communications Commission (FCC)**			
1	Management Improvements	NQ (S)		
2	Automated Data Processing	NQ (S)		
3	User Charges	142.3 (R)		
4	Adjudicating/Rule Making		NQ (S)	
E.	**Federal Maritime Commission (FMC)**			
1	Commission Head Count and Staffing	3.1 (S)		
2	Handling of Tariffs	NQ (S)		
3	Processing of Agreements	NQ (S)		
4	Certification and Licensing	NQ (S)		
5	Deregulation of Domestic Offshore Shipping			NQ (S)
F.	**Federal Trade Commission (FTC)**			
1	Bureau of Economics Research	4.9 (S)		
2	Office Consolidation	(1.3)(S)1/		
3	Improved Coordination with the Department of Justice	NQ (S)		
4	Management Improvements			NQ (S)
5	Regional Offices			NQ (S)
6	Grade Escalation			NQ (S)

1/ Average savings over 10-year period are $1.1 million per year.

No.	Issue	THREE-YEAR SAVINGS (S)/ REVENUE OPPORTUNITIES (R) ($ millions) Category I	Category II	Category III
G.	Interstate Commerce Commission (ICC)			
1	Organization and Planning	NQ (S)		NQ (S)
2	Bureau of Accounts			NQ (S)
3	Bureau of Traffic			NQ (S)
4	Commissioners and Support Staff			
5	Office of Compliance and Consumer Assistance			NQ (S)
6	Office of Proceedings			NQ (S)
H.	Occupational Safety and Health Review Commission (OSHRC)			
1	Merger of OSHRC and MSHRC		0.0 (S)2/	
2	Commission Paper Flow		1.0 (S)2/	
3	Professional Staff Productivity			1.2 (S)
	Subtotal Regulatory Commission	$205.2	$3.9	$31.8
I.	Insurance			
1.	OPIC's Purchase of Reinsurance		5.7 (S)	
2	Adequacy of Reserves - OPIC	NQ (S)		
3	Flood Insurance Program - FEMA	15.0 (S)		
4	Federal Crime Insurance - FEMA	34.2 (S)		
5	Federal Riot Reinsurance - FEMA	10.0(CA)* 3.3 (S)		
6	Sale and Delivery of Crop Insurance	NQ (S)		
7	Financial Management System (FCIC)	NQ (S)		
8	FCIC Premiums		297.5 (R)	
9	Federal Mortgage Insurance for Hospitals (FHA-242)	NQ (S)		

2/ Savings for BUS-OSHRC are estimated to be $3.1 million over 3 years. However, because BUS-OSHRC 1 and 2 are not additive, only BUS-OSHRC 2 savings are included in this table.

No.	Issue	THREE-YEAR SAVINGS (S)/ REVENUE OPPORTUNITIES (R) ($ millions) Category I	Category II	Category III
I.	Insurance (Cont'd)			
10	Mutual Mortgage Insurance Fund - FHA	$22.8 (S)		
11	FHA - Mutual Mortgage Insurance Fund	13.2 (S)		
12	Size of Reserves Needed for Insurance and Guarantee Programs	NQ (S)		
13	Risk Related Premiums	NQ (R)		NQ (S)
14	Loan Guarantees vs. Direct Lending			NQ (S)
15	FCIC Staffing Levels			
	Subtotal Insurance	$88.5 *	$303.2	$0.0
J.	Tennessee Valley Authority			
1	Engineering Design and Construction Program	$120.2 (S)		
2	TVA Financing Program	22.2 (S)		
3	Personnel and Labor Relations	25.9 (S)		
4	Compensation and Benefits	NQ (S)		
5	Generating Plant Efficiency (Coal-fired and Nuclear)	3.0 (S)		
6	Coal Procurement	42.7 (S)		
7	National Fertilizer Development Program	83.8 (R)		
8	Financial Reporting System	NQ (S)		
	Subtotal TVA	$297.8	$ 0.0	$0.0
K.	United States Postal Service (USPS)			
1	Capital Financing	$ 6.8 (S)		
2	Working Capital and Cash Float Investments	168.8 (R)		
3	Interest Income vs. Interest Expense	110.5 (R)		
4	Net Income	NQ (S)		
5	Disbursement Costs	60.1 (R)		
6	ZIP+4 Automation	277.4 (S)		
7	Nondelivery of Correctly Addressed Mail	30.4 (R)		
8	Mechanization	220.0 (S)		
9	Presort Programs	279.4 (S)		
10	Air-to-Surface Diversion		115.9 (S)	
11	CAB Sunset	NQ (S)		

No.	Issue	THREE-YEAR SAVINGS (S)/ REVENUE OPPORTUNITIES (R) ($ millions) Category I	Category II	Category III
K.	United States Postal Service (USPS)(Cont't)			
12	Management Sciences Modelling for Transportation	$178.7 (S)		
13	Central Delivery Program		$154.4 (S)	
14	Casing Trays	NQ (S)		
15	Program Management	NQ (S)		
16	Delivery of Government Mail	3.3 (S)		
17	Replacing Post Offices with Alternative Services	272.4 (S)		
18	Reducing Mail Delivery Days	NQ (S)		
19	Purchasing Organization and Responsibility	NQ (S)		
20	Capital Equipment Procurement	66.2 (S)		
21	Sale or Reuse of Surplus Equipment	1.8 (S) 8.7 (CA)*		
22	Disposal of Excess Real Property	3.4 (S) 16.4 (CA)*		
23	Current Procurement Programs	NQ (S)		
24	Project Evaluation		NQ (S)	
25	Marketing	NQ (S)		
26	Review of the Postal Rate Commission Budget	NQ (S)		
27	Rate Setting Process		NQ (S)	
28	Quality of Work Life	NQ (S)		
29	Grievance Procedures	63.5 (S)		
30	Dual Filing by Grievants	60.9 (S)		
31	Overtime		327.4 (S)	
32	Personnel Levels	NQ (S)		
33	Wage Comparisons		NQ (S)	
34	Traditional vs. Standard Service			NQ (S)
35	Transportation Contracting			74.9 (S)
36	Congract Stations			165.8 (S)
37	Sick Leave and Leave Without Pay			135.1 (S)
38	Equal Employment Opportunity (EEO) Function			251.6 (S)
39	Official Time			13.2 (S)
	Subtotal USPS	$1803.6*	$597.7	$640.6

Totals	THREE-YEAR SAVINGS (S)/ REVENUE OPPORTUNITIES (R) ($ millions) Category I	Category II	Category III
Regulatory Boards and Commissions	$ 205.2	$ 3.9	$ 31.8
Insurance	$ 88.5	$303.2	$ 0.0
TVA	$ 297.8	$ 0.0	$ 0.0
USPS	$ 1803.6	$597.7	$640.6
Grand Total	$ 2395.1	$904.8	$672.4
Total Savings	$ 1759.5	$607.3	$672.4
Total Revenue Enhancements	$ 635.6	$297.5	$ 0.0
Total Cash Accelerations	$ 35.1	$ 0.0	$ 0.0

*Cash accelerations are not included in subtotals or totals.

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UPDATING AUTOMATED DATA PROCESSING SYSTEMS IN THE FEDERAL GOVERNMENT COULD SAVE AT LEAST $20 BILLION OVER A THREE-YEAR PERIOD

WASHINGTON, June 3--The Federal Government is the single largest user of data processing (ADP) systems in the world, with over 6,000 general purpose systems (administrative systems such as personnel, accounting, etc.) and almost 11,500 special purpose systems (weapons, imbedded systems, etc.)

Despite the critical role of ADP in support of day-to-day operations of the Federal Government and in processing claims, benefits and paychecks for millions of Americans, the average age of the Government's ADP system in 1980 was 6.7 years. According to a report released today by The President's private Sector Survey on Cost Control in the Federal Government (PPSSCC), most private sector ADP specialists consider three years to be the benchmark for functional obsolescence. The pervasiveness of antiquated equipment is highlighted by the fact that although the

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Federal Government was the acknowledged leader in using state-of-the-art computer hardware and software in the 1960's, approximately 50 percent of the Government's ADP inventory is now so old that it can no longer be supported by the manufacturer and must be maintained by specially trained Federal personnel at additional costs.

The Report was prepared by the PPSSCC Task Force on Automated Data Processing/Office Automation, which was co-chaired by William Agee, former chairman of Bendix Corporation of Southfield, Michigan; Joseph Alibrandi, president and chief executive officer of Whittaker Corporation of Los Angeles; and Donald E. Procknow, president of Western Electric Co. of New York.

In undertaking its review, the PPSS Task Force on Automated Data Processing/Office Automation found the following:

- The Social Security Administration is four- to six-weeks behind in issuing new Social Security cards; has a three-year backlog in posting retirement contributions; and is unable to process 7.5 million new annual claims applications on time or correctly.

- The cost of the Army's business-related ADP systems ($1.5 billion) can only be estimated because the Army does not know how much it spends on ADP/OA, what kinds

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and numbers of computers it has, where they are located, or whether they should be replaced.

- Approximately 20 percent of all tax returns for 1978 have not yet been entered into the IRS computer system. The current estimates of deliquent accounts is $23.2 billion and growing, yet the IRS uses 20-year old equipment which predates modern data base concepts, such as random access and on-line storage.

In announcing the Task Force findings, J. Peter Grace, Chairman of the PPSS Executive Committee and Chairman and Chief Executive Officer of W.R. Grace & Co., noted that the Task Force had identified specific recommendations which, if implemented across the Government, could significantly improve the efficiency and effectiveness of the Federal Government's ADP systems, with three-year cost savings to the American taxpayers of more than $20 billion over a three-year period.

Those recommendations include:

- The appointment by the President of a Federal Information Resource Manager to oversee ADP/OA operations throughout the entire Federal Government to ensure the development and implementation of a comprehensive system for ADP planning and management in the Federal Government.

- o The appointment of qualified career professionals to oversee ADP/OA management at each department and agency and the granting of increased procurement autonomy to those departments and agencies by the General Services Administration.

- o The upgrading or replacement of uneconomic and obsolete ADP/OA systems.

- o Improved salaries and hiring procedures so as to attract ADP personnel to the Federal Government.

- o The introduction of common application system software in the areas of payroll, personnel, property management, mortgage accounting, accounts payable, and other similarly common functions which could reduce current Government expenditures for those purposes ($3.3 billion) by approximately 20 percent.

In accouncing potential three-year cost savings of $21.8 billion, Mr. Grace noted that $10.6 billion of this total had been identified by other PPSS task forces and that the ultimate total could be significantly greater, since other reports not yet released by the Survey would also have ADP/OA-related issues and recommendations.

He further noted that of the three-year total, $10.8 billion are fully substantiated by adequate documentation and another

$11.0 billion are partially substantiated. Mr. Grace further cautioned, however, that in all of the PPSS work, estimated savings are more of a "planning" quality and not of a precise "budget" quality."

The recommendations contained in the ADP/OA Report will be considered on June 13th by a Subcommittee of the Executive Committee, chaired by Mr. Grace, for possible submission to the President.

-END-

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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IMPROVING MANAGEMENT PRACTICES IN THE ARMY COULD YIELD THREE-YEAR COST SAVINGS OF $12.5 BILLION

WASHINGTON, June 30--If the Army could improve its management practices in selected areas such as materiel and weapons acquisition, recruitment and training, inventories, and personnel assignment and rotation, three-year savings of about $12.5 billion should be achievable according to a report on the Army released today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC). The report also recommended that the Army undertake a full-scale review of its policy of separating from the service any soldier who is not promoted within a prescribed period of time (the "up or out" system).

These recommendations will be considered on July 13th by a Subcommittee of the Survey's Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The Department of the Army task force was co-chaired by Roger E. Birk, chairman, president, and chief executive officer of Merrill Lynch and Company, Inc. of New York; John J. Horan,

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chairman of Merck and Co. of Rahway, New Jersey; William A. Marquard, chairman, president and chief executive officer of American Standard of New York; and Lewis T. Preston, chairman of J. P. Morgan & Company, Inc. of New York.

The task force questioned whether the need for a relatively youthful, vigorous force to maintain wartime readiness could not be just as adequately served by new policies which would also permit selective retention of experienced personnel who, although not candidates for promotion to higher rank, perform competently in their jobs. The retention of experienced personnel could enhance efficiency as well as reduce costs associated with recruitment, training and retirement. The task force recognized, however, that any modification of "up or out" would have many ramifications on overall Army force management policies. For that reason, the task force recommended that the Army conduct a full-scale review to include an assessment of how some of our European allies manage system that provide tracks for both continuing career and "up or out."

According to the task force's analysis, three year savings of $9.5 billion could be achieved if its recommendations for improving materiel and weapons acquisition management were implemented. In some cases, full implementation of the recommendations would take several years. Citing the June 1982 Selected Acquisition Reports (SARs), the task force noted that 14 military procurement programs show cost growth from $30 billion

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as originally estimated to the 1982 updated estimates of $82 billion. The task force concluded that if several steps were taken to improve management of major weapons acquisition, this rate of cost growth could be slowed dramatically with annual estimated savings totalling $1.6 billion achievable when the recommendations are fully implemented. For example, the task force recommended that the Army provide stronger technical and engineering support to the program management team from the outset of programs. The provision of such support would stabilize the design of a weapons system earlier in its life cycle. In turn, this stability would lead to fewer design changes, and cost growth attributable to design changes would be reduced. The task force conservatively estimated that enhanced design stability alone could save $218 million annually.

The task force also identified stability as a major issue for the Army's entire program of major weapon system acquisition as well as for the design of individual systems. Repeated schedule and quantity changes add billions to the price tags for major weapon systems. The task force identified the annual budget cycle as a major component of this problem and recommended the Army change to a biennial budget cycle for major weapon systems. This recommendation and other proposals to enhance stability should produce $2 billion in annual savings when fully implemented.

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In the area of inventory management, the task force recommended that the Army review carefully its policies for maintaining war reserve stocks. It recommended that careful scrutiny be given to all new items proposed for inclusion in war reserve stocks and that the Army make greater efforts to relate its policies for management of war reserve stocks to its planning with industry to increase defense production in time of war. The implementation of these and other recommendations related to managing war reserve stocks could yield $4.2 million of one-time, three-year savings.

In indentifying yet another opportunity for management improvement to achieve cost savings, the task force noted that the Army is currently spending over $1 billion annually on moving costs associated with personnel generally rotating every three years to new assignments. In addition to costs, these permanent change of station (PCS) moves have other effects on the Army, among them the fact that the requirement for frequent relocation is generally believed to be a negative characteristic of military service and thus a deterrent to retention. With a view toward both morale improvement and cost savings, the task force recommended the Army reexamine aspects of its policies associated with the moving of Army personnel and their families for European tours of duty. The task force also recommended reducing the number of PCS moves associated with certain continuing education programs taken by

(more)

majors and captains. When implemented, the changes recommended by the task force would yield three-year savings of $64.5 million.

"Of the three-year total of $12.5 billion in savings and revenue generation, $4.6 billion are fully substantitated by adequate documentation, and other $7.9 billion are partially substantiated," Mr. Grace said.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

As the product of an unprecedented and wide-ranging survey performed in a political atmosphere by private sector executives and specialists, the recommendations in this Task Force report must be placed in perspective. Our volunteer staff had the formidable task of bringing their expertise to bear on complex Federal operations in the short span of a few months while holding down other full or part-time employment.

Despite these challenges -- most of which were anticipated at the outset -- valuable analysis and issue development were achieved. The recommendations contained in this report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices financially support these Federal programs and operations.

We believe that the majority of our recommendations are fully substantiated. However, it would be misleading to allege that each and every recommendation is rooted in a uniformly high level of research, analysis and substantiation. Various time limitations, business resources, and other constraints did not permit achievement of the desired uniformity objective.

We have evaluated, therefore, the "supportability" of the recommendations on their management merits and have grouped them into the following three categories.

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.
- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the report, but all indications point to the desirability and defensibility of proceeding with their implementation.

o Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit.

These category descriptions do not take into account political, social or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of firm, probable and potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following page.

CATEGORY/THREE-YEAR SAVINGS(S)/REVENUE GENERATION(R)

($ millions)

Issue		I	II	III
ARMY 1:	Ensure that waste of unused enlistees training capacity is eliminated, and that enlistees are assigned to the jobs for which they were trained.		$ 189.5 (S)	
ARMY 2:	Assess whether morale improvements associated with the shorter 18-month long tour are sufficient to compensate for increased PCS costs.	1/		
ARMY 3:	Explore options to make both two-year unaccompanied and five-year accompanied tours more attractive alternatives.	1/		
ARMY 4:	Reduce the number of Permanent Change of Station moves authorized for advanced officer training.	$ 64.5 (S)		
ARMY 5:	Consider options for minimizing PCS moves in the design of the regimented manning system.	132.4 (S)		
ARMY 6:	Undertake a study of options for modifying "up or out" system and review allies' experience with "two-track" career management systems.	1/		
ARMY 7:	Revise public law to require that recruits complete at least six months of service before they are eligible for accrued leave pay.	6.3 (S)		
ARMY 8:	Explore ways to involve line management more in the administration of mandated programs (EEO, EPA, OSHA, etc.).	1/		
ARMY 9:	Cancel the Learning Resource Center program.	33.7 (S)		

1/ Savings not quantified.

CATEGORY/THREE-YEAR SAVINGS(S)/REVENUE GENERATION(R) (CONT'D)

($ millions)

Issue		I	II	III
ARMY 10:	Organize for major weapon system producibility by tailoring development and acquisition regulations to accommodate sound technical management of each individual system; by staffing projects early with the most capable production engineers available; and by instituting design producibility as a measure of project management performance. Revise the content of major weapon system acquisition progress reports to Congress to state cost growth data in more relevant terms.	2,611.0 (S)		
ARMY 11:	Institute a biennial budgeting system for procurement of major weapons systems, with constraints designed to ensure programs are managed in an informed, documentable way.		6,600.0 (S)	
ARMY 12:	See below.	See below.		
ARMY 13:	Reduce war reserve stockpiles by contracting with vendor to stock perishable items and by eliminating those items that are readily available from commercial sources.		6.0 (S)	
ARMY 14:	Provide the DOD's Single Manager for Conventional Ammunition advance contract authority to purchase ammunition. The Single Manager should budget for the procurement of all ammunition under his control, own it, and maintain it in a "wholesale" inventory that would be distributed to service "retail" points. Immediately implement the new ammunition packaging program that requires training ammunition to be packed in simple fiberboard boxes rather than combat-ready containers. Competitively award contracts to operate Government-owned ammunition plants.		332.0 (S)	

1/ Savings not quantified.

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CATEGORY/THREE-YEAR SAVINGS(S)/REVENUE GENERATION(R) (CONT'D)

($ millions)

Issue	I	II	III
ARMY 15: Create a new major command for data processing; standardize, consolidate and modernize systems.		827.5 (S)	
ARMY 16: Recognize responsibility for all cost containment programs and "fence" the budget for capital productivity and value engineering programs from mission-related requirements.	1,192.0 (S) (300.0) (S)		
ARMY 17: Develop a modern payroll system to take advantage of electronic funds technology. (Additional savings of $54 million would be obtained in the fourth year.) Contract with a travelers' check vendor so that travelers' checks rather than cash can be issued to recruits for travel expenses. Appoint a "treasurer" within the Army Comptroller's office and minimize on-hand cash by implementing new procedures for deposits and withdrawals.	128.7 (S) (80.6) (S)		
ARMY 18: Assign responsibility for identifying excess real estate at a high level, use outside experts, and add market value to criteria for determining excess.	1/		
ARMY 19: Expedite base operation support consolidation reviews (inter- and intra-service and contracting out) and assign responsibility to the Under Secretary of the Army.	34.8 (S)		
ARMY 20: Improve management information to gain full advantage of Combat Vehicle Reliability Centered Maintenance at depots. Establish work measurement standards for at least 80 percent of eligible labor hours.	26.5 (S) (0.3) (S)		

1/ Not quantified.

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CATEGORY/THREE-YEAR SAVINGS(S)/REVENUE GENERATION(R) (CONT'D)

($ millions)

Issue	I	II	III
ARMY 21: Organize the Army Corps of Engineers in a more efficient and effective structure.	16.6 (S)		
TOTAL SAVINGS TO ARMY	$3,865.6	$7,955.0	
Savings to DOD Budget			
ARMY 12: Store in the Government's mobilization reserve of idle production equipment only what is realistically usable, simplify the regulations that require Government-funded producers to survey the equipment for potential re-use, and require users to fund equipment storage and repair costs.	30.2 (S)		
ARMY 19: See above.	662.0 (S)		
TOTAL SAVINGS TO DOD	$ 692.2 (S)	-	-
TOTAL TASK FORCE RECOMMENDED SAVINGS	$4,557.8	$7,955.0	-
GRAND TOTAL	$12,512.8		

1/ Not quantified.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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AIR FORCE TASK FORCE IDENTIFIES $27.6 BILLION IN COST SAVINGS

WASHINGTON, June 30--Three-year savings of $27.6 billion could be achieved without "adversely affecting the readiness of the Air Force to carry on its mission" according to the Air Force task force report released today by the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC).

The report also made recommendations for reforming the military retirement system, which when fully implemented would result in billions of dollars of savings to the Department of Defense budget, of which a three-year total of about $15 billion would be attributable to reducing retirement costs associated with Air Force retirees. It should be noted, however, that the retirement recommendations like some of the other more significant recommendations would take several years for full savings to be achieved. Also, 90 percent of the savings can only be obtained if appropriate Congressional action is secured.

These recommendations will be considered on July 13th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

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The Department of the Air Force task force was co-chaired by James H. Evans, chairman of Union Pacific Corporation of New York; Robert W. Galvin, chairman and chief executive officer of Motorola Corporation of Schaumburg, Illinois; and Paul F. Oreffice, president and chief executive officer of Dow Chemical Company of Midland, Michigan.

The report called attention to significant opportunities for cost savings in the area of procurement. In all, the task force identified possibilities for three-year cost savings of nearly $5.4 billion associated with more use of multi-year procurement and dual sourcing, to enhance competition more reliant on contracting out to the private sector for commercial and industrial activities, and better management of the use of consultant services.

The task force recommended that the Air Force should be an aggressive advocate for multi-year programs in order to achieve the benefits of increased program stability and lower program costs. In the area of dual sourcing the task force conculuded that the Air Force should develop a formal methodology for evaluating the benefits that competition introduces through dual sourcing and should apply that methodology to review of programs in their early phases when the greatest flexibility exists to achieve the maximum benefits available from competition.

(more)

In addition to retirement, the task force also identified several other man-power related areas for cost savings. For example, civilian employment ceilings, rather than compensation costs, placed on the Department of Defense by the Office of Management and Budget (OMB) and Congress were also cited by the task force as creating unnecessary costs.

Ceilings result in more overtime and workforce imbalances and are cited as being counterproductive because they generate costs and fail to result in improved management accountability.

The ceilings require civilian personnel to be at or below the set ceiling levels by the last day of the fiscal year, thus the Defense Department may exceed the ceiling levels during the course of the fiscal year but must achieve the ceiling by September 30.

Thus, an employee may be furloughed for the last day of a fiscal year and be rehired one day later. This unnecessary administrative costs was estimated by the Air Force to be at least $150 per employee. If the Air Force is successful in reducing its current over-employment from 12,000 to 4,000 by the end of fiscal year 1982, as it proposes to do, it will cost approximately $600,000 simply to terminate and rehire these 4,000 employees.

The task force recommended that Congress and the OMB eliminate civilian employment ceilings and stress reliance on the planning, budgeting and accounting processes to identify personnel requirements and achieve employment discipline.

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The task force also found that substantial savings could be realized from consolidating facilities at common locations where the Air Force Reserve and the Air National Guard now conduct separate operations.

A detailed review of Air National Guard and Reserve facilities, aircraft basing, and overall operations should be undertaken by the Defense Department, according to the report, to identify opportunities for facilities consolidations and better coordination.

Citing outdated legislation as inflationary and counterproductive, the task force recommended that Congress repeal the Davis-Bacon Act, the Service Contract Act and amend the Walsh-Healy Act.

Repeal or amendment of these outdated provisions could reduce construction and management costs, increase competition for Air Force contracts, and improve productivity.

"Of the three-year total of $27.6 billion in savings, $22.7 billion are fully substantiated by adequate documentation, and another $4.9 billion are partially substantiated," Mr. Grace said.

Mr. Grace cautioned that in all of the PPSSCC work, estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

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THE REPORT RECOMMENDATIONS -- A PERSPECTIVE

As the product of an unprecendented and wide-ranging survey performed by private sector executives and specialists, the recommendations in this Task Force report must be placed in perspective. Our volunteer staff had the formidable task of bringing their expertise to bear on complex Federal operations in the short span of a few months while holding down other full or part-time employment.

Despite these challenges -- most of which were anticipated at the outset -- valuable analysis and issue development were achieved. The recommendations contained in this report will result, if implemented, in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices financially support these Federal programs and operations.

We believe that the majority of our recommendations are fully substantiated. However, it would be misleading to allege that each and every recommendation is rooted in a uniformly high level of research, analysis and substantiation. Various time limitations, business resources, and other constraints did not permit achievement of the desired uniformity objective.

We have evaluated, therefore, the "supportability" of the recommendations on their management merits and have grouped them into the following three categories.

- o Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force, convincing and deserving of prompt implementation.
- o Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the report, but all indications point to the desirability and defensibility of proceeding with their implementation.
- o Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit.

These category descriptions do not take into account political, social or economic conditions which may alter the supportability of these recommendations for implementation. Accordingly, it is possible, by grouping the recommendations along the above categories, to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of firm, probable and potential savings.

The Report Recommendations -- An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the matrix on the following page.

THREE-YEAR SAVINGS BY CATEGORY
($ millions)

		Category I	Category II	Category III
FINANCIAL MANAGEMENT				
USAF 1	Management Reporting and Control		$1,159.0	
USAF 2	Travel Reimbursements	$ 46.0		
USAF 3	Planning, Programming and Budgeting System	7.9		
MANPOWER				
USAF 4	Compensation -- Military Pay	-- Savings Not Quantified --		
USAF 6	Civilian Year End Ceilings	96.0		
USAF 7	Severance Pay	17.5		
USAF 8	Coordination of Guard/ Reserves	165.5		
USAF 9	Guard/Reserves Dual Pay	66.0		
USAF 10	Guard/Reserves Bonus Program	30.4		
USAF 11	Military Airlift Command -- No Shows		49.7	
LOGISTICS				
USAF 13	ADP Modernization		579.8	
USAF 14	Service Contract Act	2,383.0		
USAF 15	Davis-Bacon Act	1,337.0		
USAF 16	Spare Parts Breakout		695.0	
USAF 17	Walsh-Healey Act	430.0		
USAF 18	Section 8(a) Small Business Act	76.1		
PROCUREMENT				
USAF 19	Multiyear Procurement	2,400.0		
USAF 20	Dual-Sourcing		2,422.1	
USAF 21	Contracting Out	331.0		
USAF 22	Consultants	227.7		
Total Savings to U.S. Air Force		$7,614.1	$4,905.6	--
SAVINGS TO OTHER AGENCY/ DEPARTMENT BUDGETS				
USAF 5	Retirement (to DOD)	15,050.0		
USAF 12	Military Airlift Command -- Contract (to various agencies)		19.9	
Total Savings to Other Agency/Departments		$15,050.0	$ 19.9	--
TOTAL TASK FORCE RECOMMENDED SAVINGS		$22,664.1	$ 4,925.5	

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PRIVATE SECTOR SURVEY TO RECOMMEND $11 BILLION IN AG SAVINGS

WASHINGTON, April 5 -- A possible $11.2 billion three year savings plan for the Department of Agriculture was made public today in a task force report of the President's Private Sector Survey on Cost Control (PPSSCC). These recommendations will be considered on April 15th by a Subcommittee of the Executive Committee chaired by J. Peter Grace, chairman of W. R. Grace & Co., for possible submission to the President.

The PPSSCC Agriculture Department task force, was headed by William Graham, chairman of Baxter Travenol Labs, Inc., and William Wood Prince, president of F. H. Prince & Company.

"Of the three-year total of $11.2 billion of recommended savings, $8.6 billion are fully supported by adequate documentation and another $2.6 billion are partially supported." Mr. Grace also said $157 million in savings over a three-year period require further study.

(more)

"Besides the recommended ways to save money," the Private Sector Survey chairman said, "there are recommendations which we believe could result in revenue enhancement in the amount of $1.7 billion."

Mr. Grace cautioned that in all of the PPSSCC work estimated savings are more of a "planning" quality and not of a precise "budget" quality.

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THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

MEDIA SUMMARY

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THE REPORT RECOMMENDATIONS - A PERSPECTIVE

It is vitally important that the recommendations in this Task Force Report be placed in perspective. They are the product of an unprecedented and wide-ranging survey that was performed in a politically-charged atmosphere by private sector executives and specialists whose services were volunteered -- often on a part-time basis. This staff had the formidable task of bringing their expertise to bear on largely unfamiliar and complex Federal operations in the short span of a few months. Frequently, these efforts were expended while holding down other full or part-time employment.

Despite these difficult and perplexing challenges -- all of which were anticipated at the onset -- a great deal of valuable work was performed. The recommendations contained in this Report, if implemented, will result in real and significant savings and other benefits to American taxpayers whose hard work and personal sacrifices foot the bill for these Federal programs and operations.

We have sought to be realistic about the recommendations reported. The great majority of them, we believe, are fully substantiated. However, it would be misleading for us to leave the impression that each and every recommendation is rooted in a uniformly high level of research, analysis, and substantiation. The press of time, other business commitments, lack of adequate resources, and other constraints did not always permit the luxury of achieving this desired uniformity.

As a result, and to promote a realistic expectation of recommendations reported, we have evaluated the "supportability" of the recommendations on their management merits and have grouped them into three categories.

- Category I -- Fully substantiated and defensible. Recommendations in this category are, in the opinion of the Task Force. convincing and deserving of prompt implementation.

- Category II -- Substantially documented and supportable. Recommendations in this category may not be fully rationalized or documented in the Report, but all indications point to the desirability and defensibility of proceeding with their implementation.

- Category III -- Potentially justifiable and supportable. Recommendations in this category, while meritorious, are not regarded as fully supported in the Report, due to time, personnel resources, and other constraints, but are deemed worthy of further analysis to determine the full extent of their merit for implementation.

These category descriptors do not take into account political, social or economic conditions which may alter the supportability for implementing these recommendations. Accordingly, by grouping the recommendations along the above categories, it is possible to assess more effectively the cost savings that can be expected. This analysis permits summary estimates of: (1) firm, (2) probable, and (3) potential savings opportunities, while recognizing that the proposed savings dollars themselves are of a "planning estimate" quality (i.e., generally statistically derived) and not yet of a "budget quality."

The Report Recommendations - An Assessment

Based on the above perspective and categorization, an assessment of the reported recommendations is contained in the following matrix:

	Category/3-Year Savings (S)/ Revenue Opportunities (R) ($ millions)		
	I	II	III
Farmers Home Administration			
AG 1: Match new loans with a graduation of existing loans	$768(S)	$--	$--
AG 2: Improve management information		63(S)	
AG 3: Shift from direct lending to 75 percent guarantee of private loans	451(S)		
AG 4: Transfer housing loans to HUD			105(S)
AG 5: Transfer FmHA commumnity development loans to SBA and SBA farm loans to FmHA	7(S)		
AG 6: Invest supervised bank accounts in interest-bearing accounts		119(S)	
AG 7: Decrease float in handling of receipts	57(S)		
AG 8: Collect $15 fee for credit reports	23(R)		
Food and Nutrition Service			
AG 9: Update the food stamp base household in the Thrifty Food Plan standard	3,442(S)		
AG 10: Update economies-of-scale factors used in food stamp determination		834(S)	
AG 11: Eliminate $10 minimum monthly food stamp benefit; provide amount calculated in food stamp formula		139(S)	

	Category/3-Year Savings (S)/ Revenue Opportunities (R) ($ millions) I	II	III
AG 12: Reduce food stamp printing costs	$30(S)	$--	$--
AG 13: Reduce food stamp/school lunch overlap by counting free school lunch benefits as income in food stamp determination for households in both programs	1,724(S)		
AG 14: Reduce food stamp/child nutrition overlap by counting Federally financed child nutrition benefits as income in food stamp determination for households in both programs		536(S)	
AG 15: Reduce costs of commodity storage and distribution		36(S)	
<u>Agricultural Marketing Service</u>			
AG 16: Reduce poultry inspection requirements consistent with adequacy of quality control data	308(S)		
AG 17: Use discretion in intensity of meat inspection		28(S)	
AG 18: Eliminate triple inspection of dairy plants; have one inspector	5(S)		
AG 19: Revise label approval process	4(S)		
AG 20: Assess user fees for technical assistance services	5(R)		
<u>Foreign and Domestic Commodity Programs</u>			
AG 21: Revise price support program			13,000* (S)

*Not included in totals. See Executive Summary.

	Category/3-Year Savings (S)/ Revenue Opportunities (R) ($ millions) I	II	III
AG 22: Require recipient departments to budget and pay for USDA commodities they use	$1,205	$--	$--
AG 23: Provide better method of export financing vs. interest buydown program	262		
AG 24: Phase-out cooperator funding for established cooperators			37(S)
AG 25: Eliminate cargo preference requirement on certain commodity shipments	357(S)		
AG 26: Administer ocean freight differentials more efficiently	40(S)		
AG 27: Transfer USDA freight forwarding activity to private sector or sponsoring agency	8(S)		
AG-28: Disband Ocean Transportation Division of USDA	2(S)		
AG-29: Eliminate duplication among Economic Research Service, Foreign Agricultural Service and World Agricultural Outlook Board	22(S)		
AG-30: Reorganize Foreign Agricultural Service European representation			4(S)
AG-31: Reduce use of U.S. national secretaries in overseas posts			1(S)
AG-32: Reorganize Agricultural Attache Service to improve efficiency	0		
AG-33: Improve analysis of export credit requests to reduce future risks	0		

	Category/3-Year Savings (S)/ Revenue Opportunities (R) ($ millions) I	II	III
AG 34: Make more effective use of export promotion funds as funding for certain interest-free loans	$0	$--	$--
Local USDA Programs			
AG 35: Consolidate and colocate various USDA county offices	194 (S)		
AG 36: Accelerate county office automation plans		3 (S)	
AG 37: Improve soil survey process	50 (S)		
AG 38: Establish user fee of $25 per copy for soil survey reports	21 (R)		
AG 39: Consolidate Soil Conservation Service administrative staffs		14 (S)	
AG 40: Streamline county election process		26 (S)	
Forest Service			
AG 41: Revise schedule of timber purchaser payments		460 (S)	
AG 42: Use transaction method for timber appraisals	99 (R)		
AG 43: Adopt lump-sum sales payment for timber purchases	54 (R)		
AG 44: Increase various recreation fees		125 (R)	
AG 45: Charge for firewood now given away	66 (R)		
AG 46: Increase fees for grazing cattle on public lands	58 (R)		

	Category/3-Year Savings (S)/ Revenue Opportunities (R) ($ millions)		
	I	II	III
AG 47: Reduce road construction and maintenance costs	$172(S)	$--	$--
AG 48: Improve Automatic Data Processing planning		43(S)	
AG 49: Improve research activities		24(S)	
AG 50: Reduce staffing levels by improved efficiency	339(S)		
Science and Education Administration			
AG 51: Establish National Research Board and realign regions		251(S)	
AG 52: Reduce administrative support of Agricultural Research Service by reorganization and consolidation	83(S)		
AG 53: Transfer selected human nutrition research programs to HHS	99(S)		
AG 54: Eliminate 8 percent contribution to funding of 20 low-priority research programs that can be funded by other than Federal sources		36(S)	
AG 55: Redirect Cooperative Extension Service staff toward initiating new programs		13(S)	
Rural Electrification Administration			
Ag 56: Begin extracting the Government from REA Generation and Transmission loans			10(S)

	Category/3-Year Savings (S)/ Revenue Opportunities (R) ($ millions)		
	I	II	III
AG 57: Expand use of private sector financing by REA distribution borrowers	$132(S)	$--	$--
AG 58: Reduce nonessential regulation and services for REA borrowers	3(S)		
TOTAL COST SAVINGS (S) BY CATEGORY	$9,764	$2,506	$ 157
TOTAL REVENUE GENERATION (R) BY CATEGORY	326	244	0

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S U M M A R Y   O F   T H R E E - Y E A R   S A V I N G S / R E V E N U E   E N H A N C E M E N T S

PPSSCC MANAGEMENT OFFICE CUMULATIVE REPORT OF TASK FORCE PROPOSED RECOMMENDATIONS RELEASED TO THE PUBLIC

(BASED ON PPSSCC "SPREADSHEET" SUMMARY REPORTS - $ BILLIONS)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		FULLY SUBSTANTIATED			PARTIALLY SUBSTANTIATED			SUBTOTAL FULLY/ PARTIALLY	FURTHER STUDY	GRAND TOTAL	MEMO: TOTAL CASH	MEMO:	
REF.	TASK FORCE	SAVINGS	REVENUE	SUBTOTAL	SAVINGS	REVENUE	SUBTOTAL	(COLS. 4+7)	SAVINGS/REV.	(COLS. 8+9)	ACCEL.	# ISSUES	# REC.
(1)	Commerce	0.145	0.512	0.657	0.053	0.021	0.074	0.731	0.007	0.738	0.0	12	
(2)	HHS-Action	0.494	0.0	0.494	0.108	0.0	0.108	0.602	0.0	0.602	0.0	8	
(3)	EPA/SBA/FEMA	1.510	0.081	1.591	0.245	0.0	0.245	1.836	0.0	1.836	0.0	28	
(4)	Energy	2.279	1.170	3.449	0.506	0.0	0.506	3.955	0.005	3.960	0.0	21	
(5)	AG	8.559	1.531	10.090	2.625	0.125	2.750	12.840	0.157	12.997	0.0	59	
(6)	Personnel (CC)	34.726	0.0	34.726	3.452	0.0	3.452	38.178	10.526	48.704	0.0	18	
(7)	**1st Release Subtot.**	**47.713**	**3.294**	**51.007**	**6.989**	**0.146**	**7.135**	**58.142**	**10.695**	**68.837**	**0.0**	**146**	**561**
(8)	Interior	0.172	0.069	0.241	0.093	0.953	1.046	1.287	0.002	1.289	0.0	9	27
(9)	Transportation	1.205	1.657	2.862	1.476	0.079	1.555	4.417	0.137	4.554	0.0	22	69
(10)	HUD	2.173	0.562	2.735	0.165	0.314	0.479	3.214	0.308	3.522	0.0	10	44
(11)	HHS-HCFA/PHS	9.095	0.662	9.757	3.509	0.0	3.509	13.266	0.0	13.266	0.048	20	70
(12)	FAM (CC)	12.531	5.154	17.685	1.024	5.864	6.888	24.573	0.0	24.573	54.469	35	87
(13)	**2nd Release Subtot.**	**25.176**	**8.104**	**33.280**	**6.267**	**7.210**	**13.477**	**46.757**	**0.447**	**47.204**	**54.517**	**96**	**297**
(14)	**Cum. 11 Reports**	**72.889**	**11.398**	**84.287**	**13.256**	**7.356**	**20.612**	**104.899**	**11.142**	**116.041**	**54.517**	**242**	**858**
(15)	Real Property (CC)	2.301	0.0	2.301	0.062	0.0	0.062	2.363	0.991	3.354	0.231	10	52
(16)	VA	1.894	0.953	2.847	0.225	0.0	0.225	3.072	0.0	3.072	0.208	8	24
(17)	Labor	1.529	0.0	1.529	2.189	0.0	2.189	3.718	0.0	3.178	0.0	14	49
(18)	Construction (CC)	0.613	0.0	0.613	4.833	0.0	4.833	5.446	0.027	5.473	0.0	23	25
(19)	Hospital (CC)	1.930	0.069	1.999	6.542	2.652	9.194	11.193	0.0	11.193	0.0	13	60
(20)	**3rd Release Subtot.**	**8.267**	**1.022**	**9.289**	**13.851**	**2.652**	**16.503**	**25.792**	**1.018**	**26.810**	**0.439**	**68**	**210**
(21)	**Cum. 16 Reports**	**81.156**	**12.420**	**93.576**	**27.107**	**10.008**	**37.115**	**130.691**	**12.160**	**142.851**	**54.956**	**310**	**1,068**
(22)	Land, FACL & P.P. (CC)	0.152	0.0	0.152	0.060	0.423	0.483	0.635	1.523	2.158	0.0	3	9
(23)	State, AID, USIA	0.355	0.360	0.715	0.004	0.0	0.004	0.719	0.0	0.719	0.056	10	31
(24)	LISAB (CC)	4.187	0.0	4.187	1.669	0.0	1.669	5.856	0.798	6.654	0.0	9	24
(25)	User Charges (CC)	0.0	1.194	1.194	0.0	9.017	9.017	10.211	0.0	10.211	0.0	21	55
(26)	Banking B/C	1.559	7.643	9.202	0.057	0.139	0.196	9.398	0.0	9.398	0.521	41	84
(27)	Business B/C	1.760	0.636	2.396	0.607	0.297	0.904	3.300	0.672	3.972	0.035	96	257
(28)	**4th Release Subtot.**	**8.013**	**9.833**	**17.846**	**2.397**	**9.876**	**12.273**	**30.119**	**2.993**	**33.112**	**0.612**	**180**	**460**
(29)	Cum. 22 Reports	89.169	22.253	111.422	29.504	19.884	49.388	160.810	15.153	175.963	55.568	490	1,528

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(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		FULLY SUBSTANTIATED			PARTIALLY SUBSTANTIATED			SUBTOTAL FULLY/ PARTIALLY	FURTHER STUDY		MEMO: TOTAL CASH	MEMO:	
REF.	TASK FORCE	SAVINGS	REVENUE	SUBTOTAL	SAVINGS	REVENUE	SUBTOTAL	(COLS. 4+7)	SAVINGS/REV.	GRAND TOTAL (COLS. 8+9)	ACCEL.	# ISSUES	# REC.
(30)	Education	2.052	0.0	2.052	0.320	0.0	0.320	2.372	0.0	2.372	5.841 (FS)	9	60
(31)	Procurement (CC)	19.424	0.0	19.424	0.847	0.0	0.847	20.271	0.0	20.271	0.0	22	57
(32)	FMS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10	35
(33)	SSA	3.334	0.980	4.314	5.283	0.0	5.283	9.597	0.0	9.597	0.0	10	56
(34)	ADP/OA (CC)	3.529	0.0	3.529	7.668	0.0	7.668	11.197	0.0	11.197	0.0	18	49
(35)	5th Release Subtot.	28.339	0.980	29.319	14.118	0.0	14.118	43.437	0.0	43.437	5.841	69	257
(36)	Cum. 27 Reports	117.508	23.233	140.741	43.622	19.884	63.506	204.247	15.153	219.400	61.409	559	1,785
(37)	Treasury												
(38)	Air Force												
(39)	Army												
(40)	Navy												
(41)	OSD												
(42)	Federal Feeding												
(43)	R&D												
(44)	Privatization												
(45)	Justice												
(46)	Selected Issues												
(47)	6th Release Subtot.												
(48)	Cum. 37 Reports												

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FIRST PUBLIC RELEASE OF TASK FORCE RECOMMENDATIONS

DEPARTMENT OF COMMERCE TASK FORCE

(1) Task Force and Recommendation Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R) ($ millions) (Year 1)	(Year 2)	(Year 3)	Total	(4) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE SAVINGS						
(1) DOC 1-1	The International Trade Administration be restructured and reduce its staff by 800.	$ 10.0	$ 20.0	$ 30.0	$ 60.0 (S)	(P)
(2) DOC 2-1	The Bureau of the Census revise the procurement process it is using to upgrade its computer-related systems.	$ 1.0	$ 8.5	$ 5.3	$ 14.8 (S)	(A)
(3) DOC 4-1	The Economic Development Administration (EDA) increase the emphasis placed on terminating grants which are in violation of grant agreement terms.	$ 20.0	$ 20.0	$ 20.0	$ 60.0 (S)	(A)
(4) DOC 12-1	The Federal funding for NOAA weather radio be terminated.	$ 2.0	$ 4.0	$ 5.0	$ 11.0 (S)	(A)
Total Fully Supportable Savings (S)		$ 33.0	$ 52.5	$ 60.3	$145.8	
FULLY SUPPORTABLE REVENUE ENHANCEMENTS						
(5) DOC 5-1 through 5-9	The Economic Development Administration (EDA) increase the emphasis placed on collecting outstanding debts.	$ 5.0	$ 5.0	$ 5.0	$ 15.0 (R)	(A)
(6) DOC 10-1	The National Oceanic and Atmospheric Administration sell the "right" to price civil land remote sensing satellite data.	$103.0	$170.0	$224.0	$497.0 (R)	(P)
Total Fully Supportable Revenue (R)		$108.0	$175.0	$229.0	$512.0	
Total Fully Supportable Savings/Revenue		$141.0	$227.5	$289.3	$657.8	

PARTIALLY SUPPORTABLE SAVINGS					
(7) DOC 3-1 The Bureau of the Census cancel its plans to put "map output devices" in its 12 regional offices.	(Savings in 1987 of $12 million)			$ 12.0 (S)	(A)
(8) DOC 7-1 The Patent and Trademark Office hire fewer examiners than called for in its current plan and increase its use of Industrial Engineering principles.	$ 0.0	$ 2.0	$ 6.0	$ 8.0 (S)	(A)
(9) DOC 8-1 through 8-3 The process for reviewing National Bureau of Standards projects be enhanced.	$ 10.0	$ 15.0	$ 20.0	$ 45.0 (S)	(A)
Total Partially Supportable Savings (S)	$ 10.0	$ 17.0	$ 26.0	$ 53.0	
PARTIALLY SUPPORTABLE REVENUE ENHANCEMENTS					
(10) DOC 11-1 The National Oceanic and Atmospheric Administration raise prices on maps and charts 25 % per year.	$ 2.0	$ 7.0	$ 12.0	$ 21.0 (R)	(A)
Total Partially Supportable Revenue (R)	$ 2.0	$ 7.0	$ 12.0	$ 21.0	
Total Partially Supportable Savings/Revenue	$ 12.0	$ 24.0	$ 38.0	$ 74.0	
FURTHER STUDY SAVINGS					
(11) DOC 6-1 The Patent and Trademark Office reassess its needs for computer-based workstations.	$ .5	$ .6 (Savings by 1990 of $86 million)	$ 1.9	$ 3.0 (S)	(A)
(12) DOC 9-1 The National Bureau of Standards increase the ratio of technicians to professionals in its laboratories.	$ .5	$ 1.0	$ 2.0	$ 3.5 (S)	(A)
Total Further Study Savings	$ 1.0	$ 1.6	$ 3.9	$ 6.5	
DEPARTMENT OF COMMERCE					
Total Cost Savings (S)	$ 44	$ 71.1	$ 90.2	$205.3	
Total Revenue Enhancements (R)	$110	$182.0	$241.0	$533.0	
TOTAL	$154	$253.1	$331.2	$738.3	
Savings Beyond FY 1985			$ 98.0		

HEALTH AND HUMAN SERVICES/OTHER TASK FORCE

(1) Task Force and Recommendation Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R) ($ millions) (Year 1)	(Year 2)	(Year 3)	Total	(4) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE SAVINGS						
(1) HHS 2-1 through 2-84	Restructure HHS Department Management to eliminate organization layering and duplication.	48.1	$ 78.4	$ 86.3	$212.8 (S)	(P)
(2) HHS 3-1 through 3-5	Streamline correspondence control and clearance procedures to assure more timely response at less cost.	$ 1.6*	$ 2.6*	$ 2.9*	$ 7.1* (S)	(A)
(3) HHS 6-1 through 6-17	Reorganize the Office of Human Development Services (HDS) to improve effectiveness and reduce costs.	$ 13.8 7	$ 20.2 3	$ 22.3	$ 56.3 (S)	(A)
(4) HHS 7-1 through 7-4	Modify management practices and the organizational structure of HDS to improve social research.	$ 20.0	$ 22.0	$ 24.2	$ 66.2 (S)	(A)
(5) HHS 8-1 and 8-2	Adopt the delay-of-drawdown program in the remaining states and/or adopt the checks paid letter of credit approach for advancing Medicaid funds.	$ 48.0	$ 52.8	$ 58.1	$158.9 (S)	(A)
Total Fully Supportable Savings		129.9	$173.4	$190.9	$494.2	
PARTIALLY SUPPORTABLE SAVINGS						
(6) HHS 1-1	Reduce the ACTION staff by 40 percent.	$ 5.4	$ 10.1	$ 11.2	$ 26.7 (S)	(A)
(7) HHS 4-1 and 4-2	Eliminate the policy research of HHS Department Management.	$ 13.9	$ 15.3	$ 16.8	$ 46.0 (S)	(A)
(8) HHS 5-1 and 5-2	Eliminate evaluation of projects within the Office of the Secretary.	$ 10.5	$ 11.6	$ 12.7	$ 34.8 (S)	(A)
Total Partially Supportable Savings		$ 29.8	$ 37.0	$ 40.7	$107.5	

* [illegible] not included in total.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

TOTAL	$159.7	$210.4	$231.6	$601.7

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EPA/SBA/FEMA TASK FORCE

(1) Task Force and Recommendation Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R) ($ millions) (Year 1)	(Year 2)	(Year 3)	Total	(4) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE SAVINGS						
(1) EPA 1-1 through 1-3	Redirect construction grants program to states; develop national construction grant program policy.	$ 14.0	$ 15.4	$ 16.9	$ 46.3 (S)	(C)
(2) EPA 2-1	Accelerate delegation program to states.	$ 5.4	$ 5.9	$ 6.5	$ 17.8 (S)	(C)
(3) EPA 4-1 though 4-4	Use more class permits for treatment and storage of hazardous wastes; expand use of permitting; amend Clean Water Act; discontinue NPDES grants to unqualified states.	$ 27.6	$ 30.4	$ 33.4	$ 91.4 (S)	(ACP)
(4) EPA 6-1	Close six regional EPA laboratories.	$ (0.2)	$ 10.3	$ 11.3	$ 21.4 (S)	(A)
(5) EPA 8-1 and 8-2	Close Ada research laboratory and Isle field station.	? $ 1.8	$ 2.2	$ 2.4	$ 6.4 (S)	(C)
(6) EPA 10-1 through 10-3	Enforce meaningful standards of performance; redirect training and development program funds.	$ 1.8	$ 2.1	$ 2.3	$ 6.2 (S)	(A)
(7) EPA 11-1 through 11-3	Authorize implementation of EPA ADP report with modifications.	$ 6.7	$ 7.4	$ 8.1	$ 22.2 (S)	(A)
(8) EPA 12-1 through 12-5	Reestablish existing financial management system as Agency standard; consolidate and simplify budget work.	$ 2.4	$ 2.6	$ 2.8	$ 7.8 (S)	(A)
Total Fully Supportable Savings		$ 59.5	$ 76.3	$ 83.7	$219.5	

PARTIALLY SUPPORTABLE SAVINGS

(9) EPA 3-1 through 3-3	Consolidate categorical grants and phase down Federal funding levels.	$ 20.0	$ 40.0	$ 60.0	$120.0 (S)	(C)
(10) EPA 5-1 and 5-2	Simplify contract procurement process; improve contract management.	$ 19.0	$ 20.9	$ 23.0	$ 62.9 (S)	(A)
(11) EPA 7-1 through 7-5	Centralize research data base;cease funding for Centers of Excellence; conduct more cooperative research agreements in house.	$ 10.3	$ 11.5	$ 12.8	$ 34.6 (S)	(A) (C)
(12) EPA 9-1 through 9-4	Eliminate small organizational units, non-career special assistant slots, deputy positions at office level and below; reduce personnel office staff.	$ 8.5	$ 9.3	$ 10.2	$ 28.0 (S)	(A)
	Total Partially Supportable Savings	$ 57.8	$ 81.7	$106.0	$245.5	

ENVIRONMENTAL PROTECTION AGENCY

TOTAL	$117.3	$158.0	$189.7	$465.0	

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EPA/SBA/FEMA TASK FORCE

(1) Task Force and Recommendation Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R) ($ millions) (Year 1)	(Year 2)	(Year 3)	Total	(4) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE SAVINGS						
(1) SBA 1-1 through 1-5	Reduce maximum loan guarantee percentage from 90% to 75%; utilize collection services to work charged-off loans; eliminate direct loans; increase bank participation.	$ 51.5	$ 84.2	$111.3	$247.0 (S)	(ACP)
(2) SBA 2-1 through 2-7	Improve monitoring of district loans and processes; improve timeliness and reliability of data.	$ 0	$ 0	$ 0	$ 0	(A)
(3) SBA 4-1	Discontinue disaster loans for insurable losses.	$ 8.8	$ 21.2	$ 32.7	$ 62.7 (S)	(C)
(4) SBA 5-1 and 5-2	Discontinue disaster loans when other credit available; transfer farm disaster loans to FmHA.	$ .5	$ 1.0	$ 1.5	$ 3.0 (S)	(C)
(5) SBA 6-1	Reduce maximum surety bond guaranty from 90% to 85%.	$ 9.9	$ 9.9	$ 9.9	$ 29.7 (S)	(A)
(6) SBA 8-1	Reduce idle funds for Small Business Investment Corporations.	$ 0	$ 0	$ 0	$ 0 (S)	(A)
(7) SBA 10-1 through 10-4	Eliminate payment delays; modify deposit schedule with Federal Reserve System.	$ 1.6	$ 1.6	$ 1.6	$ 4.8 (S)	(A)
(8) SBA 11-1 through 11-3	Adopt formal software development methodology; appoint ADP steering committee.	$ 0	$ 0	$ 0	$ 0 (S)	(A)
(9) SBA 12-1 through 12-3	Combine certain regions; close at least four branch offices; identify service area realignments.	$ 0	$ .6	$ 1.1	$ 1.7 (S)	(P)
Total Fully Supportable Savings		$ 72.3	$118.5	$158.1	$348.9	

FULLY SUPPORTABLE REVENUE ENHANCEMENTS

(10)	SBA 3-1 and 3-2	Increase loan guarantee fee from 1% to 2%; transfer farm loans to FmHA, USDA.	$ 20.1	$ 20.1	$ 20.1	$ 60.3 (R)	(A)
(11)	SBA 7-1	Increase charges to surety bond contractors.	$ 4.5	$ 6.0	$ 6.0	$ 16.5 (R)	(C)
(12)	SBA 9-1	Charge 1% user fee on SBIC borrowings.	$ .8	$ 1.6	$ 1.6	$ 4 (R)	(C)
	Total Fully Supportable Revenue		$ 25.4	$ 27.7	$ 27.7	$ 80.8	

SMALL BUSINESS ADMINISTRATION

Total Cost Savings (S)	$ 72.3	$118.5	$158.1	$348.9
Total Revenue Enhancements (R)	$ 25.4	$ 27.7	$ 27.7	$ 80.8
TOTAL	$ 97.7	$146.2	$185.8	$429.7

EPA/SBA/FEMA TASK FORCE

(1) Task Force and Recommendation Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R) ($ millions) (Year 1)	(Year 2)	(Year 3)	Total	(4) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPPORTABLE SAVINGS						
(1) FEMA 1-1 through 1-3	Make National Flood Insurance Program self-sustaining.	$200.0	$220.0	$240.0	$660.0 (S)	(P)
(2) FEMA 2-1 through 2-3	Eliminate disaster-assistance grants for insurable losses.	$ 22.5	$124.0	$125.9	$272.4 (S)	(P)
(3) FEMA 3-1 through 3-2	Eliminate the U.S. Fire Administration.	$ 3.1	$ 3.1	$ 3.1	$ 9.3 (S)	(P)
(4) FEMA 4-1	Improve strategic stockpile management.	$ 0	$ 0	$ 0	$ 0 (S)	(C)
Total Fully Supportable Savings		$225.6	$347.1	$369.0	$941.7	
FEDERAL EMERGENCY MANAGEMENT AGENCY						
TOTAL		$225.6	$347.1	$369.0	$941.7	

DEPARTMENT OF ENERGY TASK FORCE

(1) Task Force and Recommendation Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R) ($ millions) (Year 1)	(Year 2)	(Year 3)	Total	(4) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE SAVINGS						
(1) DOE 1-1 through 1-5	Improve supervisory costs by reducing management levels and increasing span of control.	$ 5.6	$ 6.2	$ 6.7	$ 18.5 (S)	(A)
(2) DOE 3-1 through 3-5	Reduce DOE overmanagement of GOCO operations.	$150	$165	$180	$495.0 (S)	(A)
(3) DOE 4-1 through 4-3	Place higher priority on contracting out under OMB Circular A-76.	$ 18	$ 19.8	$21.6	$ 59.4 (S)	(A)
(4) DOE 5-1 through 5-9	Simplify procurement rules, regulations, and procedures and increase competitive contracting.	$ 63.1	$ 70.2	$75.7	$209.0 (S)	(A)
(5) DOE 7-1 through 7-5	Improve operation and reduce unnecessary costs in Strategic Petroleum Reserve.	$248.0	$479.9	$526.3	$1254.2 (S)	(AC)
(6) DOE 9-1 through 9-6	Improve ADP equipment utilization.	$ 9.3	$ 9.9	$ 10.5	$ 29.7 (S)	(A)
(7) DOE 17-1 and 17-2	Terminate one of three current approaches to Inertial Confinement Fusion.	$ 30.0	$ 49.5	$ 54.0	$133.5 (S)	(A)
(8) DOE 18-1 and 18-2	Utilize Defense Industrial Security program versus more expensive current procedures.	$ 15.0	$ 16.5	$ 18.0	$ 49.5 (S)	(A)
(9) DOE 20-1 through 20-9	Improve MIS, streamline procedures, reduce case handling times, eliminate Federal regulations of oil pipeline rates, raise licensing exemption for hydro power from 5mw to 15mw.	$ 9.0	$ 9.9	$ 10.8	$ 29.7 (S)	(C)
(10) DOE 21-1 through 21-5	By employing pre-approval of standard designs and site criteria, integral construction-operational licensing, strengthening management role of the Chairman, and other administrative reforms.	$ 0	$ 0	$ 0	$ 0	(A)
		$548.0	$826.9	$903.6	$2278.5	

FULLY SUPPORTABLE REVENUE ENHANCEMENTS					
(11) DOE 19-1 through 19-4 Put PMA rates on sound business basis.	$390.0	$390.0	$390.0	$1170.0 (R)	(A)
Total Fully Supportable Revenue	$390.0	$390.0	$390.0	$1170.0	
Total Fully Supportable Savings/Revenue	$938	$1216.9	$1293.6	$3448.5	
PARTIALLY SUPPORTABLE SAVINGS					
(12) DOE 2-1 through 2-5 Improve job classification and management training.	$ 0	$ 0	$ 0	$ 0	(A)
(13) DOE 6-1 and 6-2 Improve grant funds management and close-outs.	$ 9.0	$ 0	$ 0	$ 9.0 (S)	(A)
(14) DOE 8-1 throguh 8-6 Centralize financial data and reporting.	$ 3.5	$ 3.9	$ 4.2	$ 11.6 (S)	(A)
(15) DOE 10-1 through 10-3 Strengthen Inspector General function and increase staff.	$ 22.0	24.2	$26.4	$ 72.6 (S)	(A)
(16) DOE 11-1 through 11-2 Establish mission for multi-program National Laboratories	$ 0	$ 0	$ 0	$ 0 (S)	(A)
(17) DOE 12-1 Eliminate DOE overmanagement of contract R&D.	$ 0	$ 0	$ 0	$ 0 (S)	(A)
(18) DOE 13-1 DOE proposed a 3-year rolling R&D budget procedure.	$125.0	$137.5	$150.0	$412.5 (S)	(C)
(19) DOE 15-1 through 15-3 Give priority to funding Special Nuclear Materials and proceed with new production reactor.	$ 0	$ 0	$ 0	$ 0 (S)	(C)
(20) DOE 16-1 Support expeditious completion of Defense Waste Processing facility.	$ 0	$ 0	$ 0	$ 0 (S)	(C)
Total Partially Supportable Savings	$159.5	$165.6	$180.6	$505.7	
FURTHER STUDY SAVINGS					
(21) DOE 14-1 Develop more DOE-industry interaction in R&D.	$ 0	$ 0	$ 0	$ 0	(A)
(22) DOE 19-1 Sell Alaska PMA.	$ 1.6	$ 1.8	$ 2.0	$ 5.4 (S)	(C)
Total Further Study Savings	$ 1.6	$ 1.8	$ 2.0	$ 5.4	

DEPARTMENT OF ENERGY/NUCLEAR REGULATORY COMMISSION

Total Cost Savings (S)	$709.1	$994.3	$1086.2	$2789.6
Total Revenue Enhancements (R)	$390.0	$390.0	$390.0	$1170.0
TOTAL	$1099.1	$1384.3	$1476.2	$3959.6

DEPARTMENT OF AGRICULTURE TASK FORCE

(1) Task Force and Recommendation Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R) ($ millions) (Year 1)	(Year 2)	(Year 3)	Total	(4) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE SAVINGS						
(1) USDA 1	Match new loans with a graduation of existing loans.	$232	$255	$281	$768 (S)	(A)
(2) USDA 3	Shift from direct lending to 75% guarantee of private loans.	$136	$150	$165	$451 (S)	(C)
(3) USDA 5	Transfer FmHA community development loans to SBA and SBA farm loans to FmHA.	$ 2	$ 2	$ 3	$ 7 (S)	(C)
(4) USDA 7	Decrease float in handling of receipts.	$ 17	$ 19	$ 21	$ 57 (S)	(A)
(5) USDA 9	Update the food stamp base household in the Thrifty Food Plan standard.	$1040	$1144	$1258	$3442 (S)	(C)
(6) USDA 12	Reduce food stamp printing costs.	$ 9	$ 10	$ 11	$ 30 (S)	(A)
(7) USDA 13	Reduce food stamp/school lunch overlap by counting free school lunch benefits as income in food stamp determination for households in both programs.	$521	$573	$630	$1724 (S)	(C)
(8) USDA 16	Reduce poultry inspection requirements consistent with adequacy of quality control data.	$ 93	$102	$113	$308 (S)	(C)
(9) USDA 18	Eliminate triple inspection of dairy plants; have one inspector.	$ 2	$ 1	$ 2	$ 5 (S)	(P)
(10) USDA 19	Revise label approval process.	$ 1	$ 1	$ 2	$ 4 (S)	(C)
(11) USDA 23	Provide better method of export financing vs. interest buydown program.	$ 58	$ 94	$110	$262 (S)	(P)
(12) USDA 25	Eliminate cargo preference requirement on certain	$108	$118	$131	$357 (S)	(C)

(13)	USDA 26	Administer ocean freight differentials more efficiently.	$ 12	$ 13	$ 15	$ 40 (S)	(A)
(14)	USDA 27	Transfer USDA freight forwarding activity to private sector or sponsoring agency.	$ 2	$ 3	$ 3	$ 8 (S)	(A)
(15)	USDA 28	Disband Ocean Transportation Division of USDA.	$ .5	$ .5	$ 1	$ 2 (S)	(A)
(16)	USDA 29	Eliminate duplication among Economic Research Service, Foreign Agricultural Service, and World Agricultural Outlook Board.	$ 7	$ 7	$ 8	$ 22 (S)	(A)
(17)	USDA 32	Reorganize Agricultural Attache Service to improve efficiency.	$ 0	$ 0	$ 0	$ 0	(A)
(18)	USDA 33	Improve analysis of export credit requests to reduce future risks.	$ 0	$ 0	$ 0	$ 0	(A)
(19)	USDA 34	Make more effective use of export promotion funds as funding for certain interest-free loans.	$ 0	$ 0	$ 0	$ 0	(A)
(20)	USDA 35	Consolidate and colocate various USDA county offices.	$ 34	$ 67	$ 93	$194 (S)	(P)
(21)	USDA 37	Improve soil survey process.	$ 10	$ 20	$ 20	$ 50 (S)	(A)
(22)	USDA 47	Reduce road construction and maintenance costs.	$ 52	$ 57	$ 63	$172 (S)	(A)
(23)	USDA 50	Reduce staffing levels by improved efficiency.	$ 41	$132	$166	$339 (S)	(A)
(24)	USDA 52	Reduce administrative support of Agricultural Research Service by reorganization and consolidation.	$ 25	$ 28	$ 30	$ 83 (S)	(A)
(25)	USDA 53	Transfer selected human nutrition research programs to HHS.	$ 15	$ 42	$ 42	$ 99 (S)	(P)
(26)	USDA 57	Expand use of private sector financing by REA distribution borrowers.	$ 40	$ 44	$ 48	$132 (S)	(C)
(27)	USDA 58	Reduce nonessential regulation and services for REA borrowers.	$ 1	$ 1	$ 1	$ 3 (S)	(A)
		Total Fully Supportable Savings	$2458.5	$2883.5	$3217.0	$8559.0	

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FULLY SUPPORTABLE REVENUE ENHANCEMENTS

(28)	USDA 8	Collect $15 fee for credit reports.	$ 7	$ 8	$ 8	$ 23 (R)	(A)
(29)	USDA 20	Assess user fees for technical assistance services.	$ 2	$ 1	$ 2	$ 5 (R)	(A)
(30)	USDA 22	Require recipient departments to budget and pay for USDA commodities they use.	$364	$400	$441	$1205 (R)	(P)
(31)	USDA 38	Establish user fee of $25 per copy for soil survey reports.	$ 4	$ 8	$ 9	$ 21 (R)	(C)
(32)	USDA 42	Use transaction method for timber appraisals.	$ 30	$ 33	$ 36	$ 99 (R)	(A)
(33)	USDA 43	Adopt lump-sum sales payment for timber purchases.	$ 16	$ 18	$ 20	$ 54 (R)	(A)
(34)	USDA 45	Charge for firewood now given away.	$ 20	$ 22	$ 24	$ 66 (R)	(A)
(35)	USDA 46	Increase fees for grazing cattle on public land.	$ 17	$ 19	$ 22	$ 58 (R)	(A)
		Total Fully Supportable Revenue Enhancements	$460	$509	$562	$1531	
		Total Fully Supportable Savings/Revenue	$2918.5	$3392.5	$3779.0	$10,090	

PARTIALLY SUPPORTABLE SAVINGS

(36)	USDA 2	Improve management information.	$ 19	$ 21	$ 23	$ 63 (S)	(A)
(37)	USDA 6	Invest supervised bank accounts in interest-bearing accounts.	$ 36	$ 40	$ 43	$119 (S)	(A)
(38)	USDA 10	Update economies-of-scale factors used in food stamp determination.	$252	$277	$305	$834 (S)	(A)
(39)	USDA 11	Eliminate $10 minimum monthly food stamp benefit; provide amount calculated in food stamp formula.	$ 42	$ 46	$ 51	$139 (S)	(C)
(40)	USDA 14	Reduce food stamp/child nutrition overlap by counting Federally financed child nutrition benefits as income in food stamp determination [illegible]	$162	$178	$196	$536 (S)	(C)

(41)	USDA 15	Reduce costs of commodity storage and distribution.	$ 11	$ 12	$ 13	$ 36 (S)	(A)
(42)	USDA 17	Use discretion in intensity of meat inspection.	$ 8	$ 9	$ 11	$ 28 (S)	(C)
(43)	USDA 36	Accelerate county office automation plans.	$ 3	$ 0	$ 0	$ 3 (S)	(A)
(44)	USDA 39	Consolidate Soil Conservation Service administrative staffs.	$ 2	$ 6	$ 6	$ 14 (S)	(A)
(45)	USDA 40	Streamline county election process.	$ 8	$ 9	$ 9	$ 26 (S)	(C)
(46)	USDA 41	Revise schedule of timber purchaser payments.	$146	$153	$161	$460 (S)	(A)
(47)	USDA 48	Improve Automatic Data Processing planning.	$ 13	$ 14	$ 16	$ 43 (S)	(A)
(48)	USDA 49	Improve research activities.	$ 6	$ 8	$ 10	$ 24 (S)	(A)
(49)	USDA 51	Establish National Research Board and realign regions	$ 76	$ 83	$ 92	$251 (S)	(A)
(50)	USDA 54	Eliminate 8% contribution to funding of 20 low-priority research programs that can be funded by other than Federal sources.	$ 11	$ 12	$ 13	$ 36 (S)	(A)
(51)	USDA 55	Redirect Cooperative Extension Service staff toward initiating new programs.	$ 4	$ 4	$ 5	$ 13 (S)	(A)
		Total Partially Supportable Savings	$799	$872	$954	$2625	

PARTIALLY SUPPORTABLE REVENUE ENHANCEMENTS

(52)	USDA 44	Increase various recreation fees.	$ 38	$ 42	$ 45	$125 (R)	(C)
		Total Partially Supportable Revenue	$ 38	$ 42	$ 45	$125	
		Total Partially Supportable Savings/Revenue	$837	$914	$999	$2750	

FURTHER STUDY SAVINGS

(53)	USDA 4	Transfer housing loans to HUD.	$ 32	$ 35	$ 38	$105 (S)	(C)
(54)	USDA 21	Revise price support program.	$4000*	$4400*	$4600*	$13000* (S)	(C)
(55)	USDA 24	Phase-out cooperator funding for established cooperators.	$ 6	$ 12	$ 19	$ 37 (S)	(A)
(56)	USDA 30	Reorganize Foreign Agricultural Service European representation.	$ 1	$ 1	$ 2	$ 4 (S)	(P)
(57)	USDA 31	Reduce use of U.S. national secretaries in overseas posts.	$ .3	$ .3	$ .4	$ 1 (S)	(A)
(58)	USDA 56	Begin extracting the Government from REA Generation and Transmission loans.	$ 3	$ 3	$ 4	$ 10 (S)	(C)
		Total Further Study Savings	$ 42.3	$ 51.3	$ 63.4	$157.0	

* Not included in totals

DEPARTMENT OF AGRICULTURE

Total Cost Savings (S)	$3299.8	$3806.8	$4234.4	$11,341
Total Revenue Enhancements (R)	$498.0	$551.0	$607.0	$1656
TOTAL	$3797.8	$4357.8	$4841.4	$12,997

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PERSONNEL TASK FORCE

(1) Task Force and Recommendation Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R) ($ millions) (Year 1)	(Year 2)	(Year 3)	Total	(4) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE SAVINGS						
(1) PER 1	Civil Service Retirement System: a major overhaul of this retirement program is recommended.	$4800	$5280	$5810	$15,890 (S)	(C)
(2) PER 2	Federal Employees Health Benefit Program: various administrative changes will improve the cost effectiveness of the Health Benefit Program.	$417	$452	$487	$1356 (S)	(A)
(3) PER 3	Federal Employee Annual Leave: several amendments to the U.S. Code are recommended.	$1170.0	$1260.0	$1360.0	$3790.0 (S)	(C)
(4) PER 4	Federal Employee Sick Leave: sick leave accrued, which is not used by an employee, accumulates for use in succeeding years until it totals not more than 130 days.	$1100	$1200	$1300	$3600 (S)	(C)
(5) PER 5	Federal Employee Position Classification System: the thrust of the recommendation is a request to completely redesign and simplify the position classification standards.	$992.5	$1590.2	$2207.4	$4790.1 (S)	(A)
(6) PER 6	White Collar - Pay Comparability; the Government needs to improve its approach on comparing public vs. private "white collar" pay structures.	$1200	$1200	$1200	$3600 (S)	(A)
(7) PER 7	Blue Collar - Pay Comparability: immediate action is recommended to develop legislative "blue collar" pay proposals.	$500	$550	$605	$1655 (S)	(C)

(8) PER 8	Executive Level and Senior Executive Service Pay: Removes SES positions that do not have the scope of responsibility to warrant bonuses and a higher salary schedule. Also increases subject salary rates by 20 to 30% and group differentials.	No savings claimed.				(C)
(9) PER 9	Employment Process and Public Information: OPM needs to redefine its role in providing public information on Federal job availability.	$ .6	$ .7	$ .7	$ 2.0 (S)	(A)
(10) PER 10	Employment Process and Automated Examining: OPM needs to expand their automated examining progam.	$ (.1)	$ 0	$ 1.0	$ .9 (S)	(A)
(11) PER 11	Reduction In Force: establish that a "competitive area" may consist of all parts of an agency. This eliminates problems of interpreting present references in the regulations.	$ 39.5	$ 0	$ 0	$ 39.5 (S)	(A)
(12) PER 15	Executive Seminar Centers: OPM should determine final site location of subject centers only after a thorough cost comparison study; staffing should be cut.	$ .4	$ .9	$ 1.0	$ 2.3 (S)	(A)
(13) PER 18	Workforce Planning: OPM should develop a specific workforce planning policy. Potential exists through better utiliza-tion of human resources and overall improvement career development practices.	No savings claimed.				(A)
	Total Fully Supportable Savings	$10,219.9	$11,533.8	$12,972.1	$34,725.8	

PARTIALLY SUPPORTABLE SAVINGS

(14) PER 12	Permanent Employment vs. Contracted Services: mandates that an agency should use cost comparison analyses on all functional areas, as outlined in OMB, A-76.	$1000	$1100	$1200	$3300 (S)	(C)

(15)	PER 13	Instructional Television Production Facilities: OPM should serve as a "broker" to coordinate the use of the 25 instructional TV facilities in Washington, D. C. area.	$ 7.5	$ 8.3	$ 9.1	$ 24.9 (S)	(A)
(16)	PER 14	Duplication of Supervisory Training: use a more centrally controlled and guided effort under OPM to obtain better quality management training programs at lower cost.	$ 20	$ 22	$ 24.2	$ 66.2 (S)	(A)
(17)	PER 17	Duplication of Personnel Servicing: all agency heads need to review personnel servicing offices to determine candidates for consolidation.	$ 18.5	$ 20.4	$ 22.3	$ 61.2 (S)	(A)
	Total Partially Supportable Savings		$1046.0	$1150.7	$1255.6	$3452.3	
FURTHER STUDY SAVINGS							
(18)	PER 16	Productivity: OMB should establish a permanent group charged with promoting and coordinating productivity improvement efforts.	$3180	$3498	$3848	$10,526 (S)	(A)
	Total Further Study Savings		$3180	$3498	$3848	$10,526	
PERSONNEL FUNCTION							
	TOTAL SAVINGS		$14,445.9	$16,182.5	$18,075.7	$48,704.1	

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TASK FORCE SAVINGS (S) AND REVENUE ENHANCEMENTS (R) FOR FIRST PUBLIC RELEASE

	Year 1	Year 2	Year 3	Total
Department of Commerce	$ 154.0	$ 253.1	$ 331.2	$ 738.3
Department of Health and Human Services	$ 159.7	$ 210.4	$ 231.6	$ 601.7
Environmental Protection Agency	$ 117.3	$ 158.0	$ 189.7	$ 465.0
Small Business Administration	$ 97.7	$ 146.2	$ 185.8	$ 429.7
Federal Emergency Management Administration	$ 225.6	$ 347.1	$ 369.0	$ 941.7
Department of Energy	$ 1,099.1	$ 1,384.3	$ 1,476.2	$ 3,959.6
Department of Agriculture	$ 3,797.8	$ 4,357.8	$ 4,841.4	$12,997.0
Office of Personnel Management	$14,445.9	$16,182.5	$18,075.7	$48,704.1
TOTAL	$20,097.1	$23,039.4	$25,700.6	$68,837.1

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STAT

SUMMARY OF THE THREE-YEAR SAVINGS AND REVENUE ENHANCEMENTS
($ BILLIONS)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Fully Substantiated			Partially Substantiated			
Task Force	Savings	Revenue Enhancements	Sub-total	Savings	Revenue Enhancements	Sub-total	Total
(1) INTERIOR	$ 0.172	$ 0.069	$ 0.241	$ 0.093	$ 0.953	$ 1.046	$ 1.287
(2) TRANSPORTATION	1.205	1.657	2.862	1.476	0.079	1.555	4.417
(3) HUD	2.173	0.562	2.735	0.165	0.314	0.479	3.214
(4) HHS-HCFA/PHS	9.095	0.662	9.757	3.509	—	3.509	$ 13.266
(5) SUB-TOTAL	$ 12.645	$ 2.950	$ 15.595	$ 5.243	$ 1.346	$ 6.589	$ 22.184
(6) FINANCIAL ASSET MGMT.	$ 12.531	$ 5.154	$ 17.685	$ 1.024	$ 5.864	$ 6.888	$ 24.573
(7) TOTAL	$ 25.176	$ 8.104	$ 33.280	$ 6.267	$ 7.210	$ 13.477	$ 46.757
(8) Memo: Cash Acceleration	NA	NA	$53.072	NA	NA	$ 1.445	$54.517

In addition, there are $447 million in potentially justifiable Savings/Revenue Enhancements suggested for further study.

DEPARTMENT OF INTERIOR TASK FORCE

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				Implementation Authority A = Agency P = President C = Congress
Task Force and Issue Number	Recommendation	(Year 1)	(Year 2)	(Year 3)	3-Year Total	
FULLY SUPPORTABLE						
(1) INTERIOR-1	Re-examine land use planning and sales regulations; place land sale revenues in General Fund.	10.0	41.0	95.0	146.0 S	C
(2) INTERIOR-4	Increase Park Service revenues through repeal of freeze on NPS entrance fees and accelerate/expand revenue actions.	20.0	22.0	24.0	66.0 R	C
(3) INTERIOR-5	Adopt the Visitor Facility Fund Bill	1.0	1.0	1.0	3.0 R	C

(4) INTERIOR-7	Fill the position of Chief, Division of Financial Assistance and hold back on final grant and contract payments.	.9	1.1	1.1	3.1	S	A
(5) INTERIOR-9	Implement use of TFCS and lock boxes for royalty payments and enforce LOC regulations.	3.8	8.4	11.1	23.3	S	A
Total Fully Supportable Savings (S)		$14.7	$50.5	$107.2	$172.4		
Total Fully Supportable Revenue Enhancements (R)		$21.0	$23.0	$ 25.0	$ 69.0		
Total Fully Supportable		$35.7	$73.5	$132.2	$241.4		

PARTIALLY SUPPORTABLE

(6) INTERIOR-1	Re-examine land use planning and sales regulations; place land sales revenues in General Fund.	100.0	300.0	500.0	900.0	R	C
(7) INTERIOR-2	Evaluate the transfer of range-land to private ownership, consolidate environmental impact statements and increase grazing fees.	13.8 2.8	28.8 6.8	45.3 9.9	87.9 19.5	S R	A,C
(8) INTERIOR-3	Combine administrative functions and expand jurisdictional transfers between the Bureau of Land Management and Forest Service.	0	0	0	0		P
(9) INTERIOR-4	Accelerate and expand revenue actions.	10.0	11.0	12.0	33.0	R	A
(10) INTERIOR-6	Streamline Outer Continental Shelf leasing/permitting process and eliminate certain reporting to Congress.	1.5	1.6	1.8	4.9	S	A,C
(11) INTERIOR-7	Enhance the IG/MIS.	0	0	0	0		A
Total Partially Supportable Savings (S)		$15.3	$30.4	$47.1	$92.8		
Total Partially Supportable Revenue Enhancements (R)		$ 112.8	$ 317.8	$ 521.9	$ 952.5		
Total Partially Supportable		$128.1	$348.2	$569.0	$1045.3		

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FURTHER STUDY

(12) INTERIOR-2	Base PILT on tax equivalency.	0	0	0	0	A,C
(13) INTERIOR-5	Improve concessioner competition and strengthen the Office of Concessioner Management.	.3	.8	.8	1.9 R	A,C
(14) INTERIOR-6	Implement a block grant program within Fish and Wildlife Service and review Office of Surface Mining grant program.	0	0	0	0	A
Total Further Study Revenue Enhancements (R)		$ .3	$ .8	$ .8	$1.9	
Total Further Study		$ .3	$ .8	$ .8	$1.9	
Total Savings		$ 30.0	$ 80.9	$154.3	$ 265.2	
Total Revenue Enhancements		$134.1	$341.6	$547.7	$1023.4	
GRAND TOTAL - INTERIOR		$164.1	$422.5	$702.0	$1288.6	

DEPARTMENT OF TRANSPORTATION TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) DOT-1	Establish a new organization structure to encourage an overall R&D management approach; promote joint efforts in transportation R&D.	85.5	94.6	104.0	284.1 S	A
(2) DOT-2	Improve grant disbursement procedures through utilization of checks paid letter of credit, and payment on due date.	43.6	48.0	52.8	144.4 S	A
(3) DOT-3	Improve Urban Mass Transportation Administration grant management and fiscal controls through a computerized management information system.	48.0	55.0	60.5	163.5 S	A
(4) DOT-4	Reduce DOT regional offices from 10 to 6; reduce personnel, fiscal/budgetary, and civil rights staff within DOT financial administrations.	12.2	15.6	17.2	45.0 S	A
(5) DOT-5	Consolidate ADP functions of 6 DOT agencies; establish structured ADP development system and utilize DOT time sharing system.	12.4	15.6	18.4	46.4 S	A
(6) DOT-7	Streamline Federal Highway Regulations to eliminate duplication in regulatory requirements; amend Clean Water Act.	67.5	74.2	81.7	223.4 S	C
(7) DOT-14	Eliminate the Uniform Tire Quality Grading Standard administered by NHTSA.	1.0	1.1	1.2	3.3 S	C
(8) DOT-16	Develop and monitor plans to defederalize, close, and reduce operating hours of low volume airport control towers.	45.6	50.1	55.2	150.9 S	A,C
(9) DOT-17	Establish a fee policy at Metropolitan Airports that is consistent with other major commercial airports to increase operating margin.	17.4	19.1	21.0	57.5 R	A

(10) DOT-18	Develop and implement long-range Flight Service Station consolidation plan.	(2.7)	16.3	26.0	39.6	S	C,A
(11) DOT-19	Institute user fee schedule to recoup cost of Coast Guard services; study commercial/local government capabilities in service areas.	475.1	522.7	574.9	1572.7	R	C
(12) DOT-20	Eliminate Operating Differential Subsidy payments and develop "fair and reasonable" rate standards for carrying non-competitive preference cargo.	22.8	25.0	27.6	75.4	S	A
(13) DOT-21	Increase investigative and annual guarantee fees under Maritime Administration loan guarantee program; allocate guarantees and structure financing terms to support priority projects.	8.0	8.8	9.7	26.5	R	A
(14) DOT-22	Reduce Federal funding of marine related education by imposing tuition charges and reducing appointments to USMMA; provide funding to only 2 state marine schools.	7.3	9.6	12.6	29.5	S	C,A
Total Fully Supportable Savings (S)		$343.2	$405.1	$ 457.2	$1205.5		
Total Fully Supportable Revenue Enhancements (R)		$500.5	$550.6	$ 605.6	$1656.7		
Total Fully Supportable		$843.7	$955.7	$1062.8	$2862.2		

PARTIALLY SUPPORTABLE

(15) DOT-6	Conslidate Federal Highway Administration national and special purpose program categories; implement revenue turnback to states, multi-year funding of contract programs, more flexibility between categories.	297.0	326.7	359.4	983.1	S	C
(16) DOT-10	Consolidate Federal Railraod Administration R&D and safety functions; impose user fee schedules for system assessments and R&D services to railroads.	1.0 17.2	1.1 25.8	1.3 35.5	3.4 78.5	S R	A,C

(17) DOT-11	Reorganize the major safety functions of DOT modal administrations into a consolidated Land Safety Administration.	2.8	5.7	6.4	14.9	S	C
(18) DOT-12	Redefine roles of Federal Highway Administration real estate function; review and implement staff reduction plan.	2.4	4.3	4.7	11.4	S	A
(19) DOT-13	Transfer responsibility of all roads on Federal land to Federal Highway Administration; fund road construction from Highway Trust Fund.	3.0	3.0	11.9	17.9	S	C
(20) DOT-15	Consolidate Federal Aviation Administration regional centers; consolidate Air Route Traffic Control Centers.	356.6	42.3	46.5	445.4	S	C
Total Partially Supportable Savings (S)		$662.8	$383.1	$430.2	$1476.1		
Total Partially Supportable Revenue Enhancements (R)		$ 17.2	$ 25.8	$ 35.5	$ 78.5		
Total Partially Supportable		$680.0	$408.9	$465.7	$1554.6		
FURTHER STUDY							
(21) DOT-8	Combine Federal Highway Administration and Urban Mass Transportation Administration.	19.2	24.8	27.3	71.3	S	C
(22) DOT-9	Decrease cost of mass transit financial assistance grants through requirements review and identification of requirement costs.	19.4	22.0	24.2	65.6	S	A,C
Total Further Study Savings (S)		$38.6	$46.8	$51.5	$136.9		
Total Further Sudy		$38.6	$46.8	$51.5	$136.9		
Total Savings		$1044.6	$ 835.0	$ 938.9	$2818.5		
Total Revenue		$ 517.7	$ 576.4	$ 641.1	$1735.2		
GRAND TOTAL - TRANSPORTATION		$1562.3	$1411.4	$1580.0	$4553.7		

HOUSING AND URBAN DEVELOPMENT TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) HUD-1	Establish Chief Financial Officer and make other administrative changes; implement standard accounting practices; improve investment portfolio management and cash management procedures.	56.0 106.0	61.6 116.6	67.8 128.2	185.4 S 350.8 R	C,A
(2) HUD-2	Modify the employee time method reporting system; implement a Dept.-wide micrographics system and centralize the distribution of printed materials.	10.0	18.0	20.0	48.0 S	A
(3) HUD-3	Use outside collection agencies and expand third-party private mortgage servicing program.	67.1	53.6	59.0	179.7 R	A
(4) HUD-4	Improve foreclosure and property disposition practices.	21.0 3.0	23.2 3.3	25.6 3.6	69.8 S 9.9 R	A,C
(5) HUD-5	Implement a computer-matching program to enhance the eligibility verification of applicants for HUD benefits.	565.0	621.5	683.7	1870.2 S	C
(6) HUD-9	Conduct cost/benefit analysis based on pending IG survey regarding lump sum funding under Community Development Block Grant Program.	0	0	0	0	A
(7) HUD-10	Increase GNMA guarantee and other fees.	2.4	7.2	12.0	21.6 R	A,C
Total Fully Supportable Savings (S)		$652.0	$724.3	$797.1	$2173.4	
Total Fully Supportable Revenue Enhancements (R)		$178.5	$180.7	$202.8	$ 562.0	
Total Fully Supportable		$830.5	$905.0	$999.9	$2735.4	

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PARTIALLY SUPPORTABLE

(8) HUD-1	Centralize the submission of bids for all PHA tax-exempt notes as opposed to taking bids at individual PHA's.	11.0	12.1	13.3	36.4 S	A
(9) HUD-2	Reduce management and administrative layering; also reprioritize ADP accounting and control systems.	0	10.0	11.0	21.0 S	A,C
(10) HUD-3	Improve debt collection function through a more accurate accounting system and by reorganizing collection activities.	86.4	95.0	104.5	285.9 R	A
(11) HUD-4	Repair properties whenever appropriate to improve economic return, amend IRS foreclosure code and allow outside attorneys to bid on legal services.	5.5 8.5	6.0 9.4	6.6 10.3	18.1 S 28.2 R	A,C
(12) HUD-7	Improve multifamily housing management practices and design an analytical model for loan services.	27.0	29.7	32.6	89.3 S	A
Total Partially Supportable Savings (S)		$ 43.5	$ 57.8	$ 63.5	$164.8	
Total Partially Supportable Revenue Enhancements (R)		$ 94.9	$104.4	$114.8	$314.1	
Total Partially Supportable		$138.4	$162.2	$178.3	$478.9	

FURTHER STUDY

(13) HUD-4	Enforce plan to dispose of residential units on a level monthly basis.	35.0	38.5	42.4	115.9 R	A
(14) HUD-6	Sell mortagages to the Federal Financing Bank.	33.0	36.3	39.9	109.2 R	A,C
(15) HUD-8	Classify PHA's by size and tentant characteristics.	25.0	27.5	30.3	82.8 S	A,C
Total Further Study Savings (S)		$25.0	$ 27.5	$ 30.3	$ 82.8	
Total Further Study Revenue Enhancements (R)		$68.0	$ 74.8	$ 82.3	$225.1	
Total Further Study		$93.0	$102.3	$112.6	$307.9	

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Total Savings	$ 720.5	$ 809.6	$ 890.9	$2421.0
Total Revenue Enhancements	$ 341.4	$ 359.9	$ 399.9	$1101.2
GRAND TOTAL - HUD	$1061.9	$1169.5	$1290.8	$3522.2

HHS-HEALTH CARE FINANCE ADMINISTRATION/PUBLIC HEALTH SERVICE TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
		Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				
FULLY SUPPORTABLE HCFA						
(1) HEALTH-1	Medicare Contracts - Competitive Bids: Expand experimental, fixed price competitive efforts and pursue legislation to allow such contracts on a national basis.	3.0	10.5	40.5	54.0 S	A,C
(2) HEALTH-2	Medicare Claims Audits: Improve and expand audit and medical review system.	135.0	148.5	163.4	446.9 S	A,C
(3) HEALTH-3	Medicare Hospital Reimbursement: Adopt prospective fixed price reimbursement as method of medicare payment to hospitals and expand the system to include payments from all sources.	800.0	1800.0	3000.0	5600.0 S	C
(4) HEALTH-5	Reduce Excess Hospital Capacity: Establish mechanism within the hospitals' reimbursement programs directed at reducing hospital excess capacity for Medicare and Medicaid.	246.0 200.0	330.0 220.0	363.0 242.0	939.0 S 662.0 R	A,C
(5) HEALTH-6	Data Processing: Consolidate automated data processing under a single bureau head (career professional) in order to establish clear lines of authority and accountability.	98.0	107.8	118.6	324.4 S	A
(6) HEALTH-7	Change the HFCA management from a regulatory administrative agency to a Health Care Financing Commission.	0	0	0	0	C
(7) HEALTH-8	Reduce HFCA staff and centralize operating sites.	4.3	13.3	14.5	32.1 S	C
Total Fully Supportable Savings (S)		$1286.3	$2410.1	$3700.0	$7396.4	
Total Fully Supportable Revenue Enhancements (R)		$ 200.0	$ 220.0	$ 242.0	$ 662.0	
Total Fully Supportable - HCFA		$1486.3	$2630.1	$3942.0	$8058.4	

PARTIALLY SUPPORTABLE HCFA

(8) HEALTH-4	Physician Reimbursement: Change method of reimbursement from a fee-for-service basis to prospectively negotiated fee system.	1010.0	1110.0	1220.0	3340.0 S	C
Total Partially Supportable Savings (S)		$1010.0	$1110.0	$1220.0	$3340.0	
FULLY SUPPORTABLE AND PARTIALLY SUPPORTABLE:						
Total Savings		$2296.3	$3520.1	$4920.0	$10,736.4	
Total Revenue Enhancements		$ 200.0	$ 220.0	$ 242.0	$ 662.0	
TOTAL - HCFA		$2496.3	$3740.1	$5162.0	$11,398.4	

HHS-HEALTH CARE FINANCE ADMINISTRATION/PUBLIC HEALTH SERVICE TASK FORCE

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				Implementation Authority A = Agency P = President C = Congress
Task Force and Issue Number	Recommendation	(Year 1)	(Year 2)	(Year 3)	3-Year Total	
FULLY SUPPORTABLE PHS						
(1) PHS-1	Reduce Administration cost of National Institute of Health grants, contracts and equipment to universities which receive grants.	167.5	184.2	202.6	554.3 S	A
(2) PHS-2	Revise reimbursement procedures to contract care providers in the Indian Health Service.	33.9	39.5	43.4	116.8 S	A,C
(3) PHS-3	Institute a "cost control" management by objectives program.	55.1	69.2	76.1	200.4 S	C
(4) PHS-4	Change the eligibility criteria for Indian Health Service coverage and benefits.	48.4	53.3	58.6	160.3 S	A
(5) PHS-6	Eliminate inconsistencies in the NIH grants process.	5.2	5.7	6.3	17.2 S	A

(6) PHS-7	Improve the credit and collection procedures of the Student Grant Program.	8.0 .8	8.8 1.8	9.7 2.9	26.5 CA 5.5 S	A,C
(7) PHS-7A	Increase debt collections through National Health Service Corps.	7.0 .7	7.2 1.4	7.7 2.3	21.9 CA 4.4 S	A
(8) PHS-8	Close the Rocky Mountain Laboratory of the National Institutes of Health.	2.9	5.3	5.9	14.1 S	A
(9) PHS-8A	Close the Phoenix office and laboratory of the Centers for Disease Control (CDC).	0	.2	.6	.8 S	A
(10) PHS-9	Eliminate and transfer unneeded staff within the Office of Assistant Secretary for Health.	45.2	50.2	55.2	150.6 S	A,C
(11) PHS-10	Eliminate redundant functions and staff throughout the Public Health Service.	111.0	173.0	190.0	474.0 S	A,C
Total Fully Supportable Cash Accelerations (CA)		$ 15.0	$ 16.0	$ 17.4	$ 48.4	←—Strictly Cash Flow Improvements
Total Fully Supportable Savings (S)		$470.7	$583.8	$643.9	$1698.4	
Total Fully Supportable - PHS		$485.7	$599.8	$661.3	$1746.8	

PARTIALLY SUPPORTABLE PHS

(12) PHS-5	Consolidate Federal toxicology testing programs (the Public Health Service and the National Toxicology Program).	40.5	78.9	49.5	168.9 S	A,P
Total Partially Supportable Savings (S)		$40.5	$78.9	$49.5	$168.9	
Total Partially Supportable		$40.5	$78.9	$49.5	$168.9	

FULLY SUPPORTABLE AND PARTIALLY SUPPORTABLE

Total Cash Acceleration	$ 15.0	$ 16.0	$ 17.4	$ 48.4	←—Strictly Cash Flow Improvements
Total Savings	$511.2	$662.7	$693.4	$1867.3	
TOTAL PHS	$526.2	$678.7	$710.8	$1915.7	

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Total Cash Accelerations (CA)	$ 15.0	$ 16.0	$ 17.4	$ 48.4	← Strictly Cash Flow Improvements
Total Savings (S)	$2807.5	$4182.8	$5613.4	$12,603.7	
Total Revenue Enhancements (R)	$ 200.0	$ 220.0	$ 242.0	$ 662.0	
TOTAL - HHS-HCFA/PHS	$3022.5	$4418.8	$5872.8	$13,314.1	

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FINANCIAL ASSET MANAGEMENT TASK FORCE

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Savings (S)/Revenue Enhancements (R)/ Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				Implementation Authority A = Agency P = President C = Congress
Task Force and Issue Number	Recommendation	(Year 1)	(Year 2)	(Year 3)	3-Year Total	
FULLY SUPPORTABLE						
(1) ASSET-1	Revise Department of Defense progress payment rates.	1,680 168	5,544 739	8,131 1,625	15,355 CA 2,532 S	P
(2) ASSET-2	Speed-up the collection and deposit of receipts (e.g., FICA, national lockbox).	6,705 681	0 750	0 824	6,705 CA 2,255 S	A,C
(3) ASSET-3	Increase the use of electronic funds tranfers and other means to improve cash collection.	3,627 363	1,099 510	1,711 733	6,437 CA 1,606 S	A,C
(4) ASSET-4	Use payment on due date and checks paid letters of credit to slow cash disbursement.	3,626 489 398	0 538 352	0 591 353	3,626 CA 1,618 S 1,103 R	A,C,P
(5) ASSET-6	Establish direct deposit/ electronic funds transfer incentives for benefit and payroll check disbursements.	1,922 192	0 211	0 233	1,922 CA 636 S	A,C
(6) ASSET-7	Improve the monitoring and use of banking funds and supervised accounts to obtain interest or reduce borrowing costs.	1,016 86	0 94	0 103	1,016 CA 283 S	A
(7) ASSET-8	Modify the budget system to provide agencies with financial incentives to improve cash management and cash flow forecasting.	0	0	0	0	P
(8) ASSET-9	Provide agencies with administrative incentives and controls to improve cash management.	0	0	0	0	P
(9) ASSET-10	Make greater use of individual incentives to improve cash flow forecasting and cash management.	0	0	0	0	A,P
(10) ASSET-11	Require fees on direct loans to cover loan origination, servicing, and delinquency.	1,008	982	892	2,882 R	P

(11) ASSET-12	Improve the process of granting, servicing, and collecting direct loans.	1,054 105	1,911 307	2,607 598	5,572 CA 1,010 S	A,P
(12) ASSET-16	Establish maximum acceptable default levels for each direct loan program and monitor actual default results against the acceptable default levels.	231 23	208 46	187 68	626 CA 137 S	A,P
(13) ASSET-17	Establish sunset (termination date) provisions for all new and existing direct loan programs (i.e., 5 year life).	0	0	0	0	C
(14) ASSET-21	Restructure guarantee loan programs to encourage the private sector to assume a larger share of risk and increase loan origination and service fees.	9 1 14	23 3 28	34 6 42	66 CA 10 S 84 R	A,C
(15) ASSET-23	Improve budget information to include the present value of the expected future cost of loan guarantees.	0	0	0	0	P
(16) ASSET-24	Tie interest rates subsidies in federal credit programs to market rates so as to ensure that programs do not become unintentionally oversubsidizied.	0	0	0	0	C
(17) ASSET-25	Implement credit elsewhere and credit worthiness tests in all loan guarantee programs.	0	0	0	0	A
(18) ASSET-26	Improve debt collection efforts to speed-up delinquent debt collections.	600 60	2,200 286	5,300 845	8,100 CA 1,191 S	A,P
(19) ASSET-27	Offset delinquent debt owed to the agencies against Internal Revenue Service tax refunds (when all other reasonable means fail).	583 58	641 128	706 211	1,930 CA 397 S	C
(20) ASSET-28	Use collection agencies and local credit bureaus to assist in delinquent debt collection and credit granting process. (Note: allowed by the Debt Collection Act of 1982, which was enacted subsequent to the PPSSCC studies.)	450 45	495 99	544 163	1,489 CA 307 S	A

(21) ASSET-29	Charge interest and penalties on delinquent debts.	705	285	95	1,085	R	A
(22) ASSET-30	Dispose of repossessed property more quickly through use of more aggressive sales techniques (e.g., publicity, creative financing, lowering of sale prices and/or interest rates).	54 5	60 12	66 20	180 37	CA S	A,P
(23) ASSET-31	Include the activity of the Federal Financing Bank in the Unified Budget totals.	146	161	177	484	S	C
(24) ASSET-32	Discontinue issuing marketable securities in bearer and registered form.	5	7	11	23	S	A
(25) ASSET-33	Use electronic funds transfer to pay interest on Treasury securities.	1	2	2	5	S	A
(26) ASSET-34	Develop a government-wide standard financial and accounting management system. (Memo: This issue will be covered in the Federal Management Process Task Force Report.)	0	0	0	0		
(27) ASSET-35	Provide agencies and departments with improved financial asset management training programs.	0	0	0	0		A
Total Fully Supportable Cash Accelerations (CA)		$21,557	$12,181	$19,286	$53,024	←Strictly Cash Flow Improvements	
Total Fully Supportable Savings (S)		$ 2,428	$ 3,893	$ 6,210	$12,531		
Total Fully Supportable Revenue Enhancements (R)		$ 2,125	$ 1,647	$ 1,382	$ 5,154		
Total Fully Supportable		$26,110	$17,721	$26,878	$70,709		

PARTIALLY SUPPORTABLE

(28) ASSET-5	Expedite the disposal of Commodity Credit Corp. (CCC) inventories for foreign aid by increasing the flexibility under P.L. 480. Also designate a specific portion of food stamps be used to purchase dairy products.	1,348 210	0 231	0 253	1,348 694	CA S	C,P

(29) ASSET-13	Encourage private lenders to expand their level of participation in direct loans where conditions are commercially acceptable.	7 1 37	7 1 57	7 1 88	21 CA 3 S 182 R	P
(30) ASSET-14	Reduce direct loans in the Rural Electrification Administration and the Export-Import Bank, as many of these loans could be made in the private sector.	2 6	2 5	2 4	6 S 15 R	A,P
(31) ASSET-15	Raise interest rates on new direct loans to market rates.	394	788	1,189	2,371 R	A,C,P
(32) ASSET-18	Gradually phase out Farmers Home Administration, and Small Business Administration direct loans and move to guaranteed loans.	23 27 521	25 34 573	28 41 630	76 CA 102 S 1,724 R	A,C,P
(33) ASSET-19	Increase the Guaranteed Student Loan origination fee.	475	522	575	1,572 R	C
(34) ASSET-20	Establish Certified Lenders' Programs to save loan processing costs.	66	73	80	219 S	A
(35) ASSET-22	Eliminate Federal Housing Administration involvement in new unsubsidized mortgage insurance 203 (b).	0	0	0	0	C
Total Partially Supportable Cash Accelerations (CA)		$1,378	$ 32	$ 35	$1,445	← Strictly Cash Flow Improvements
Total Partially Supportable Savings (S)		$ 306	$ 341	$ 377	$1,024	
Total Partially Supportable Revenue Enhancements (R)		$1,433	$1,945	$2,486	$5,864	
Total Partially Supportable		$3,117	$2,318	$2,898	$8,333	

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Total Cash Accelerations	$22,935	$12,213	$19,321	$54,469	← Strictly Cash Flow Improvements
Total Savings	$ 2,734	$ 4,234	$ 6,587	$13,555	
Total Revenue Enhancements	$ 3,558	$ 3,592	$ 3,868	$11,018	
GRAND TOTAL - FINANCIAL ASSET MANAGEMENT	$29,227	$20,039	$29,776	$79,042	

STAT

THIRD PUBLIC RELEASE OF TASK FORCE RECOMMENDATIONS: May 6, 1983
($ millions)

SUMMARY OF THREE-YEAR SAVINGS AND REVENUE ENHANCEMENTS ($ in millions)

Task Forces in Third Public Release	Fully Supportable	Partially Supportable	Further Study	Total
Real Property Management (cross-cut)	$ 2,300.6	$ 62.0	$ 991.4	$ 3,354.0
Veterans Administration	2,847.3	225.0	0.0	3,072.3
Department of Labor	1,529.1	2,189.1	0.0	3,718.2
Federal Construction Management (cross-cut)	613.3	4,833.0	26.5	5,472.8
Federal Hospital Management (cross-cut)	1,998.7	9,194.3	0.0	11,193.0
TOTAL	$ 9,289.0	$ 16,503.4	$ 1,017.9	$ 26,810.3
Memo: Cash Accelerations	$ 208.0	$ 0.0	$ 231.0	$ 439.0

REAL PROPERTY MANAGEMENT TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
		Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				
FULLY SUPPORTABLE						
(1) PROP-2	Improve management of office-space allocation through utilization of full-market-price user charges and improved planning and control of GSA space utilization goals.	35.0	75.0	125.0	235.0 S	A,C,P
(2) PROP-5	Revise OMB Circular A-76 guidelines to permit more management discretion in contracting-out for high-skill maintenance activities.	41.0	45.0	49.0	135.0 S	A,P

(3) PROP-6	Establish maintenance productivity program and use performance indices and standards analysis to improve productivity of in-house maintenance on Federal property.	340.0	374.0	411.0	1125.0	S	A,P
(4) PROP-7	Install Energy Maintenance Control System and assess user charges to improve energy consumption management at GSA and DoD.	(75.5)	218.9	241.5	384.9	S	A,P
(5) PROP-8	Revise GSA leasing and acquisition policies and procedures.	29.7	46.8	68.0	144.5	S	A,C,P
(6) PROP-9	Revise Congressional "prospectus" procedure to allow GSA flexibility in real property decisions.	20.0	22.0	24.2	66.2	S	C
(7) PROP-10	Declare moratorium on new DoD military housing construction in urban areas and suspend acquisition programs.	66.0	70.0	74.0	210.0	S	A
(8) Total Fully Supportable Savings (S)		$456.2	$851.7	$992.7	$2300.6		
(9) Total Fully Supportable Revenue Enhancements (R)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(10) Total Fully Supportable Savings and Revenue Enhancements		$ 456.2	$851.7	$992.7	$2300.6		
(11) Memo: Total Fully Supportable Cash Accelerations (CA)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

PARTIALLY SUPPORTABLE

(12) PROP-1	Establish concise management plan, eliminate functional duplication, and update ADP system to improve real property management by GSA.	18.7	20.6	22.7	62.0	S	A,P
(13) Total Partially Supportable Savings (S)		$18.7	$20.6	$22.7	$62.0		
(14) Total Partially Supportable Revenue Enhancements (R)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(15) Total Partially Supportable Savings and Revenue Enhancements		$18.7	$20.6	$22.7	$62.0		
(16) Memo: Total Partially Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

FURTHER STUDY

(17) PROP-3	Establish goals and incentives for agencies in disposition of surplus real property; facilitate property sales through government financing.	77.0 12.2	77.0 21.2	77.0 31.0	231.0 64.4	CA S	A,C
(18) PROP-4	Revise Wage Determination under Service Contract Act to align with private sector wages.	280.0	308.0	339.0	927.0	S	A,C
(19) Total Further Study Savings (S)		$292.2	$329.2	$370.0	$991.4		
(20) Total Further Study Revenue Enhancements (R)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(21) Total Further Study Savings and Revenue Enhancements		$292.2	$329.2	$370.0	$991.4		
(22) Memo: Total Further Study Cash Accelerations (CA)		$ 77.0	$ 77.0	$ 77.0	$231.0		

REAL PROPERTY MANAGEMENT TASK FORCE

(23) Grand Total Savings	$767.1	$1201.5	$1385.4	$3354.0
(24) Grand Total Revenue Enhancements	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(25) Grand Total Savings and Revenue Enhancements	$767.1	$1201.5	$1385.4	$3354.0
(26) Memo: Grand Total Cash Accelerations	$ 77.0	$ 77.0	$ 77.0	$ 231.0

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VETERANS ADMINISTRATION TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
		Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				
FULLY SUPPORTABLE						
(1) VA-1	Revise work measurement system and implement performance appraisal system to improve processing of veterans' benefit claims.	82.1	90.3	99.3	271.7 S	A
(2) VA-2	Improve quality control and educational procedures and implement computer matching to reduce error rate in VA benefits payments.	445.0	495.0	544.0	1484.0 S	A
(3) VA-3	Improve management of debt collection procedures and reporting requirements.	123.9 12.4	41.2 17.7	42.9 23.8	208.0 CA 53.9 S	A
(4) VA-5	Schedule regular sales for portfolio loans and simplify pooling procedures to improve VA direct and vendee loan management.	288.0	317.0	348.0	953.0 R	A,C
(5) VA-6	Require National Service and Veteran Special Life Insurance to cover program administration costs.	25.6	28.1	31.0	84.7 S	A,C
(6) VA-7	Improve ADP planning, selection, and development; implement high speed communications network.	0.0	0.0	0.0	0.0	A
(7) VA-8	Implement workload measurement system, consolidate staff into functional areas, and define line/staff responsibilities to improve central office organization.	0.0	0.0	0.0	0.0	A

(8) Total Fully Supportable Savings (S)	$565.1	$631.1	$ 698.1	$1894.3		
(9) Total Fully Supportable Revenue Enhancements (R)	$288.0	$317.0	$ 348.0	$ 953.0		
(10) Total Fully Supportable Savings and Revenue Enhancements	$853.1	$948.1	$1046.1	$2847.3		
(11) Memo: Total Fully Supportable Cash Accelerations (CA)	$123.9	$ 41.2	$ 42.9	$ 208.0		

PARTIALLY SUPPORTABLE

(12) VA-4 Discontinue acquiring property at foreclosure sales on Guaranteed Loans.	68.0	75.0	82.0	225.0	S	A
(13) Total Partially Supportable Savings (S)	$68.0	$75.0	$82.0	$225.0		
(14) Total Partially Supportable Revenue Enhancements (R)	$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(15) Total Partially Supportable Savings and Revenue Enhancements	$68.0	$75.0	$82.0	$225.0		
(16) Total Partially Supportable Cash Accelerations (CA)	$ 0.0	$ 0.0	$ 0.0	$ 0.0		

FURTHER STUDY

None

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VETERANS ADMINISTRATION TASK FORCE

(17) Grand Total Savings	$633.1	$ 706.1	$ 780.1	$2119.3
(18) Grand Total Revenue Enhancements	$288.0	$ 317.0	$ 348.0	$ 953.0
(19) Grand Total Savings and Revenue Enhancements	$921.1	$1023.1	$1128.1	$3072.3
(20) Memo: Grand Total Cash Accelerations	$123.9	$ 41.2	$ 42.9	$ 208.0

DEPARTMENT OF LABOR TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) LABOR-1, 2	Reduce abuse in Federal Employment Compensation system by use of call-up/referral system and automated statistical reporting system; expand investigation of Federal workers' disablity payments.	31.3	62.9	94.7	188.9 S	A
(2) LABOR-3	Establish direct payment of medical bills for minor employee compensation payments.	0.3	0.5	0.6	1.4 S	A
(3) LABOR-4	Implement programs to improve productivity measurement processes and encourage productivity improvements.	15.2	16.7	18.4	50.3 S	A
(4) LABOR-5	Consolidate offices, reduce supervisory layering, and centralize staff support to reduce operating costs of DOL regional offices.	8.7	9.6	10.5	28.8 S	A
(5) LABOR-6	Centralize control over acquisition and management of ADP environment in DOL.	5.7	1.1	1.2	8.0 S	A
(6) LABOR-8	Reduce DOL telephone equipment expenditures by reducing amount of multiline and adjunct telephone equipment.	1.2	1.7	1.9	4.8 S	A
(7) LABOR-9	Reduce unauthorized telephone usage at DOL by installing mechanical restrictions to control commercial long distance and FTS access.	1.0	1.1	1.2	3.3 S	A
(8) LABOR-10	Improve control of career ladder promotions by relating promotional timing to individual performance; improve monitoring and auditing procedures.	0.0	1.8	0.0	1.8 S	A
(9) LABOR-11	Consolidate DOL procurement and contracting activities under a single agency within DOL.	0.1	0.2	0.2	0.5 S	A

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(10) LABOR-13	Amend Walsh Healey Public Contracts Act to remove eight hour overtime pay threshold.	375.0	412.5	453.8	1241.3	S	C
(11) Total Fully Supportable Savings (S)		$438.5	$508.1	$582.5	$1529.1		
(12) Total Fully Supportable Revenue Enhancements (R)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(13) Total Fully Supportable Savings and Revenue Enhancements		$438.5	$508.1	$582.5	$1529.1		
(14) Memo: Total Fully Supportable Cash Accelerations (CA)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

PARTIALLY SUPPORTABLE

(15) LABOR-7	Introduce area wage scales on a city-by-city basis for the Federal civilian non-supervisory white-collar workforce.	(117.2)	(0.1)	320.4	203.1	S	A
(16) LABOR-12	Amend Davis Bacon Act to raise threshold from $2,000 to $25,000; implement 50% prevailing wage regulation.	600.0	660.0	726.0	1986.0	S	A,C
(17) LABOR-14	Revise Service Contract Act re: collective bargaining agreements, composite pay rates, and ADP and high-tech service industry coverage; raise dollar value for contract coverage from $2,000 to $25,000.	0.0	0.0	0.0	0.0		A,C
(18) Total Partially Supportable Savings (S)		$482.8	$659.9	$1046.4	$2189.1		
(19) Total Partially Supportable Revenue Enhancements (R)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(20) Total Partially Supportable Savings and Revenue Enhancements		$482.8	$659.9	$1046.4	$2189.1		
(21) Memo: Total Partially Supportable Cash Accelerations (CA)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

FURTHER STUDY

None

DEPARTMENT OF LABOR TASK FORCE

(22) Grand Total Savings	$921.3	$1168.0	$1628.9	$3718.2
(23) Grand Total Revenue Enhancements	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(24) Grand Total Savings and Revenue Enhancements	$921.3	$1168.0	$1628.9	$3718.2
(25) Memo: Grand Total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

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FEDERAL CONSTRUCTION MANAGEMENT TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) CONST-1	Integrate National Environmental Policy Act (NEPA) process with other environmental review requirements in all Federal agencies.	102.4	112.6	123.9	338.9 S	A,P
(2) CONST-3	Reduce number of NEPA Environmental Assessments through greater use of generic Categorical Exclusions.	10.0	11.1	12.1	33.2 S	A
(3) CONST-6	Use NEPA process for evaluation and protection of wetlands; rescind Executive Order 11990.	7.5	8.3	9.1	24.9 S	P
(4) CONST-7	Cease implementation of new fish and wildlife rules.	5.0	5.5	6.1	16.6 S	A
(5) CONST-8	Eliminate duplicative historic preservation regulations.	40.0	44.0	48.4	132.4 S	P
(6) CONST-9	Repeal Section 4F of the Transportation Act to eliminate special treatment of selected impacts and areas.	7.6	8.4	9.2	25.2 S	C
(7) CONST-10	Revise Executive Order 11990 on Floodplain Management to eliminate requirement for separate floodplain funding.	5.6	6.2	6.8	18.6 S	P
(8) CONST-11	Amend Safe Drinking Water Act to eliminate EPA veto power; rely on NEPA process to address aquifer contamination issues.	0.5	0.5	0.6	1.6 S	C
(9) CONST-12	Revise Endangered Species Act to integrate endangered species reviews within the NEPA process.	6.0	6.6	7.3	19.9 S	A
(10) CONST-16	Amend Wild and Scenic Rivers Act to include only action which would significantly impact rivers already designated as part of National Wild and Scenic Rivers System.	0.6	0.7	0.7	2.0 S	C

(11) Total Fully Supportable Savings (S)		$185.2	$203.9	$224.2	$613.3		
(12) Total Fully Supportable Revenue Enhancements (R)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(13) Total Fully Supportable Savings and Revenue Enhancements		$185.2	$203.9	$224.2	$613.3		
(14) Memo: Total Fully Supportable Cash Accelerations (CA)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

PARTIALLY SUPPORTABLE

(15) CONST-2	Revise Council on Environmental Quality Regulations to reduce range of alternatives for consideration in Environmental Impact Statements.	10.0	11.1	12.1	33.2	S	C
(16) CONST-5	Review and control mitigation policies related to the environmental process on construction projects.	300.0	330.0	363.0	993.0	S	A,P
(17) CONST-13	Use innovative methods to reduce barrier costs while maintaining adequate noise reduction.	260.0	286.0	157.3	703.3	S	A
(18) CONST-14	Revise guidelines governing disposal of dredged materials.	424.0	71.5	78.7	574.2	S	P
(19) CONST-15	Amend Section 404 of Clean Water Act to exclude Federal and Federal-aid projects from 404 permitting requirements.	34.4	37.8	41.6	113.8	S	C
(20) CONST-17	Revise and enforce OMB Circular A-76; increase contracting out of construction-related services.	43.2	47.5	52.3	143.0	S	A
(21) CONST-18	Increase use of performance or end-result specifications on Federal construction projects.	400.0	440.0	484.0	1324.0	S	P
(22) CONST-19	Increase the application of value engineering on Federal construction projects.	200.0	220.0	242.0	662.0	S	A

(23) CONST-20	Improve inspection procedures, quality control, and compliance with contract and grant terms under the EPA construction grant program.	0.0	0.0	0.0	0.0		A
(24) CONST-21	Establish management systems to improve construction project and program management procedures.	50.0	55.0	181.5	286.5	S	A
(25) Total Partially Supportable Savings (S)		$1721.6	$1498.9	$1612.5	$4833.0		
(26) Total Partially Supportable Revenue Enhancements (R)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(27) Total Partially Supportable Savings and Revenue Enhancements		$1721.6	$1498.9	$1612.5	$4833.0		
(28) Memo: Total Partially Supportable Cash Accelerations (CA)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

FURTHER STUDY

(29) CONST-4	Restrict Environmental Impact Statement reviews through improved scoping methods.	8.0	8.8	9.7	26.5	S	A
(30) CONST-22	Encourage privatization of municipal treatment facilities to reduce dependence on EPA construction grants program.	0.0	0.0	0.0	0.0		A
(31) CONST-23	Improve data bases and enforce life cycle costing requirements to improve fixed-asset acquisition in Federal construction programs.	0.0	0.0	0.0	0.0		A
(32) Total Further Study Savings (S)		$8.0	$8.8	$9.7	$26.5		
(33) Total Further Study Revenue Enhancements (R)		$0.0	$0.0	$0.0	$ 0.0		
(34) Total Further Study Savings and Revenue Enhancements		$8.0	$8.8	$9.7	$26.5		
(35) Memo: Total Further Study Cash Accelerations (CA)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

FEDERAL CONSTRUCTION MANAGEMENT TASK FORCE

(36) Grand Total Savings	$1914.8	$1711.6	$1846.4	$5472.8
(37) Grand Total Revenue Enhancements	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(38) Grand Total Savings and Revenue Enhancements	$1914.8	$1711.6	$1846.4	$5472.8
(39) Memo: Grand Total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

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FEDERAL HOSPITAL MANAGEMENT TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 5-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) HOSP-1	Eliminate programmed projects for military hospitals operating less than 50 beds or at less than 60% occupancy.	43.9	319.4	324.4	687.7 S	A,C
(2) HOSP-2	Promote sharing of health care resources within the Federal hospital system.	0.0	0.0	0.0	0.0	A,C
(3) HOSP-5	Improve management of VA health facilities construction program by halting nursing home construction.	120.4	223.4	245.7	589.5 S	A
(4) HOSP-6	Support decentralized management in hospital system to increase control of hospital directors.	0.0	0.0	0.0	0.0	A,C
(5) HOSP-8	Phase out VA medical supply inventory depots and reduce DoD supply levels to $100 million.	141.2	133.9	156.0	431.1 S	A
(6) HOSP-9	Reduce open market purchase of Federal hospital medical supplies; increase use of national contracts for procurement.	67.0	73.7	81.1	221.8 S	A
(7) HOSP-10	Improve DoD procedures for recovering cost of medical care from third party payers.	20.7	22.8	25.1	68.6 R	A,C
(8) Total Fully Supportable Savings (S)		$372.5	$750.4	$807.2	$1930.1	
(9) Total Fully Supportable Revenue Enhancements (R)		$ 20.7	$ 22.8	$ 25.1	$ 68.6	
(10) Total Fully Supportable Savings and Revenue Enhancements		$393.2	$773.2	$832.3	$1998.7	
(11) Memo: Total Fully Supportable Cash Accelerations (CA)		$ 0.0	$ 0.0	$ 0.0	$ 0.0	

PARTIALLY SUPPORTABLE

(12) HOSP-3	Create a central DoD health entity responsible for management of military medical services; expand cost accounting/management information systems.	225.0	247.5	272.2	744.7	S	A,C
(13) HOSP-4	Improve VA planning and resource allocation process by using a Diagnosis Related Group-based system.	650.0	1450.0	2184.0	4284.0	S	A
(14) HOSP-5	Improve management of VA health facilities construction program through reorganization of VA Office of Construction.	16.0	323.6	392.0	731.6	S	A
(15) HOSP-7	Improve management information system in VA hospital system through development of ADP plan.	(250.0)	(50.0)	(50.0)	(350.0)	S	A
(16) HOSP-11	Promote recovery of medical care cost from insured inactive miltary beneficiaries in the DoD.	368.6	403.3	439.5	1211.4	R	A,C
(17) HOSP-12	Standardize reimbursement criteria and contract fiscal intermediaries for claims processing to reduce duplicate payments in the Federal hospital system.	341.1	375.2	415.1	1131.4	S	A,C
(18) HOSP-13	Prohibit exclusionary clauses in private insurance contracts and establish means tests to medical care cost recovery in the VA.	435.4	478.9	526.9	1441.2	R	A,C
(19) Total Partially Supportable Savings (S)		$ 982.1	$2346.3	$3213.3	$6541.7		
(20) Total Partially Supportable Revenue Enhancements (R)		$ 804.0	$ 882.2	$ 966.4	$2652.6		
(21) Total Partially Supportable Savings and Revenue Enahncements		$1786.1	$3228.5	$4179.7	$9194.3		
(22) Memo: Total Partially Supportable Cash Accelerations (CA)		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

FURTHER STUDY

None

FEDERAL HOSPITAL MANAGEMENT TASK FORCE

(23) Grand Total Savings	$1354.6	$3096.7	$4020.5	$ 8,471.8
(24) Grand Total Revenue Enhancements	$ 824.7	$ 905.0	$ 991.5	$ 2,721.2
(25) Grand Total Savings and Revenue Enhancements	$2179.3	$4001.7	$5012.0	$11,193.0
(26) Memo: Grand Total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

* Final 5-25-83

FOURTH SUBCOMMITTEE MEETING REVIEW OF TASK FORCE RECOMMENDATIONS: May 26, 1983
($ millions)

SUMMARY OF THE THREE-YEAR SAVINGS AND REVENUE ENHANCEMENTS
($ BILLIONS)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Fully Substantiated			Partially Substantiated			
Task Force	Savings	Revenue Enhancements	Sub-total	Savings	Revenue Enhancements	Sub-total	Total
(1) Land/Facilities/ Per. Property	$ 0.152	$ 0.000	$ 0.152	$ 0.060	$ 0.423	$ 0.483	$ 0.635
(2) Dept. of State	0.355	0.360	0.715	0.004	0.000	0.004	0.719
(3) LISAB	4.187	0.000	4.187	1.669	0.000	1.669	5.856
(4) User Charges	0.000	1.194	1.194	0.000	9.017	9.017	10.211
(5) B/C-Banking	1.559	7.643	9.202	0.057	0.139	0.196	9.398
(6) B/C-Business	1.760	0.636	2.396	0.607	0.297	0.904	3.300
(7) TOTAL	$ 8.013	$ 9.833	$ 17.846	$ 2.397	$ 9.876	$ 12.273	$ 30.119
(8) MEMO: CASH ACCELERATIONS	NA	NA	0.612	NA	NA	NA	0.612

In addition, there are $2.993 billion in Savings/Revenue Enhancements suggested for Further Study.

LAND, FACILITIES, AND PERSONAL PROPERTY TASK FORCE

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				Implementation Authority A = Agency P = President C = Congress
Task Force and Issue Number	Recommendation	(Year 1)	(Year 2)	(Year 3)	3-Year Total	
FULLY SUPPORTABLE						
(1) LAND-2	Vehicle Fleet Management: identify standardization and improvements to be implemented by all fleet agencies: also estalish a government-wide management information system on motor vehicle fleets. (Memo: There are 318,000 Federal vehicles, excluding the Post Office service fleet, which are divided among more than 100 agencies/bureaus -- each operating its motor pool independently.)	0.0	30.0	67.0	97.0 S	A,P

(2) LAND-3	Record Management: require agencies to establish retention periods that do not exceed records' useful reference life and initiate other record management practices through the National Archives and Records Service (NARS).	8.0	18.0	29.0	55.0	S	A,P
(3) Total Fully Supportable Savings		$8.0	$48.0	$96.0	$152.0		
(4) Total Fully Supportable Revenue Enhancements		$0.0	$ 0.0	$ 0.0	$ 0.0		
(5) Total Fully Supportable Savings and Revenue Enhancements		$8.0	$48.0	$96.0	$152.0		
(6) Memo: Totaly Fully Supportable Cash Accelerations		$0.0	$ 0.0	$ 0.0	$ 0.0		

PARTIALLY SUPPORTABLE

(7) LAND-1	Offshore Minerals Management: use optimum royalty rate systems to maximize Federal revenues; also, use 7-year primary terms for leases in harsh environments.	124.0	136.0	150.0	410.0	R	A
(8) LAND-2	Revise vehicle procurement process to contract for all new vehicles at one time; also, implement a reconditioning program for all decommissioned vehicles.	18.0 4.0	20.0 4.0	22.0 5.0	60.0 13.0	S R	A
(9) Total Partially Supportable Savings		$ 18.0	$ 20.0	$ 22.0	$ 60.0		
(10) Total Partially Supportable Revenue Enhancements		$128.0	$140.0	$155.0	$423.0		
(11) Total Partially Supportable Savings and Revenue Enhancements		$146.0	$160.0	$177.0	$483.0		
(12) Memo: Total Partially Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

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FURTHER STUDY

(13) LAND-1	Make the Minerals Management Service (MMS) an off-budget independently funded entity within Department of Interior; repeal the requirement of annual Congressional reviews of finalized five-year Outer Continental Shelf (OCS) plans.	460.0	506.0	557.0	1523.0	S	C,P
(14) Total Futher Study Savings		$460.0	$506.0	$557.0	$1523.0		
(15) Total Further Study Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(16) Total Further Study Savings and Revenue Enhancements		$460.0	$506.0	$557.0	$1523.0		
(17) Memo: Total Further Study Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

LAND, FACILITIES, AND PERSONAL PROPERTY TASK FORCE

(18) Grand Total Savings	$486.0	$574.0	$675.0	$1735.0
(19) Grand Total Revenue Enhancements	$128.0	$140.0	$155.0	$ 423.0
(20) Grand Total Savings and Revenue Enhancements	$614.0	$714.0	$830.0	$2158.0
(21) Memo: Grand Total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

DEPARTMENT OF STATE/AGENCY FOR INTERNATIONAL DEVELOPMENT/UNITED STATES INFORMATION AGENCY TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) STATE-1	Reassess the Foreign Service personnel system with the aim of converting to a manager-oriented personnel system and applying more stringent manpower performance evaluations.	25.8	28.7	31.8	86.3 S	A,C
(2) STATE-2	Increase the retirement age and change the benefit formula under the Foreign Service Retirement and Disability System to equal that afforded under the Civil Service Retirement System.	29.7	30.2	30.7	90.6 S	C
(3) STATE-3	Office of Foreign Buildings (FBO) should proceed with its plan to develop a real property management system to provide an accurate inventory of world-wide property holdings; also, improve construction cost reporting and other internal controls.	*	*	*	*	A,C
(4) STATE-4	Purchase of foreign currencies: develop a system to forecast currency requirements and establish a foreign currency desk in Washington, D. C., to minimize any losses due to market fluctuations.	5.7	5.7	5.7	17.1 S	A
(5) STATE-5	Improve the collection of outstanding refugee transportation loans and develop performance criteria to evaluate the private voluntary agencies.	21.3 2.1	18.5 4.0	16.1 5.6	55.9 CA 11.7 S	A,C
(6) STATE-6	Improve the Agency for International Development (AID) project planning, approval, and monitoring process.	7.8	8.5	9.4	25.7 S	A,C,P

(7) STATE-7	Establish "base" lending rates and uniform loan periods for AID Official Development Assistance loans; also, deny additional borrowings which borrowers may request to pay increased interest rates on loans.	60.0	120.0	180.0	360.0	R	A,C
(8) STATE-8	Enforce a 4-year length of tour within the Foreign Service (current tour is 3 years); this will reduce personnel transfer costs and allow officers to be more effective in their assignments.	1.6	1.8	1.9	5.3	S	A
(9) STATE-9	Request total relief from the application of the cost of cargo preference to AID-sponsored shipments.	35.8	39.4	43.3	118.5	S	A,C,P
(10) STATE-10	Establish analytical resource capability within the US Information Agency (USIA); also defer planned USIA expansions until an evaluation of existing staff and facilities can be completed.	*	*	*	*		A,C,P
(11) Total Fully Supportable Savings		$108.5	$118.3	$128.4	$355.2		
(12) Total Fully Supportable Revenue Enhancements		$ 60.0	$120.0	$180.0	$360.0		
(13) Total Fully Supportable Savings and Revenue Enhancements		$168.5	$238.3	$308.4	$715.2		
(14) Memo: Total Fully Supportable Cash Accelerations		$ 21.3	$ 18.5	$ 16.1	$ 55.9		

PARTIALLY SUPPORTABLE

(15) STATE-5	Develop a computerized tracking system which will provide refugee address information; also, integrate Refugee Bureau information with the other agencies which support refugees, in order to provide complete cost data on refugees.	(0.5)	(1.0)	(1.5)	(3.0)	S	A
(16) STATE-6	Study ways to further decentralize the authority within the Agency for International Development; reduce Washington, D. C., staff level.	2.1	2.4	2.6	7.1	S	A

(17) Total Partially Supportable Savings	$1.6	$1.4	$1.1	$4.1
(18) Total Partially Supportable Revenue Enhancements	$0.0	$0.0	$0.0	$0.0
(19) Total Partially Supportable Savings and Revenue Enhancements	$1.6	$1.4	$1.1	$4.1
(20) Memo: Total Partially Supportable Cash Accelerations	$0.0	$0.0	$0.0	$0.0

FURTHER STUDY

None

- -

DEPARTMENT OF STATE/AGENCY FOR INTERNATIONAL DEVELOPMENT/UNITED STATES INFORMATION AGENCY TASK FORCE

(21) Grand Total Savings	$110.1	$119.7	$129.5	$359.3
(22) Grand Total Revenue Enhancements	$ 60.0	$120.0	$180.0	$360.0
(23) Grand Total Savings and Revenue Enhancements	$170.1	$239.7	$309.5	$719.3
(24) Grand Total Cash Accelerations	$ 21.3	$ 18.5	$ 16.1	$ 55.9

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LOW INCOME STANDARDS AND BENEFITS TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) LISAB-1	Revise Combined Welfare Administration proposal to control the growth in administrative costs and reduce the complicated reporting requirements.	291.0	312.0	326.0	929.0 S	A,C
(2) LISAB-4	Adopt "Income Maintenance, Fraud, and Overpayments Control Act of 1982;" amend the Tax Reform Act of 1976 to permit disclosure of wage data maintained by Social Security Administration and the IRS; use computer matching to help control fraud and over-payments.	614.0	765.0	848.0	2227.0 S	A,C,P
(3) LISAB-8	Replace retrospective payment systems with a prospective Medicaid payment system; require prescreening and case management as a condition of participation in community-based programs.	301.0	331.0	399.0	1031.0 S	A,C,P
(4) Total Fully Supportable Savings		$1206.0	$1408.0	$1573.0	$4187.0	
(5) Total Fully Supportable Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0	
(6) Total Fully Supportable Savings and Revenue Enhancements		$1206.0	$1408.0	$1573.0	$4187.0	
(7) Memo: Total Fully Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0	

PARTIALLY SUPPORTABLE

(8) LISAB-2	Revise "Energy and Emergency Assistance Amendments of 1982" to eliminate the Emergency Assistance Program because of limited state participation and because of state programs already in place; also eliminate transfers from Energy Assistance to other programs.	157.0	63.0	70.0	290.0	S	C
(9) LISAB-3	Merge the weatherization activities of the Department of Energy and Health and Human Services into the Community Development Block Grant program administered by HUD.	0.0	0.0	0.0	0.0		C
(10) LISAB-5	Accelerate efforts to computerize data on welfare recipients including use of the state-wide integrated eligibility determin-ation and recordkeeping system (SIEDRS); issue regulations to standardize Federal and state welfare recipient forms to enhance the accessibility of common information.	975.0	975.0	975.0	2925.0	S	A,P
(11) LISAB-6	Encourage all states to adopt the ADP system as outlined by the SIEDRS model and described in LISAB-5.	0.0	0.0	0.0	0.0		A,P
(12) LISAB-9	Replace the Medicaid Quality Control Disallowance System with a stronger corrective action/incentive program; improve MQC management practices.	0.0	0.0	0.0	0.0		A,C,P
(13) Adjustment	Adjustment in savings due to the overlap in LISAB Issues 4, 5, and 7.	(467.0)	(514.0)	(565.0)	(1546.0)		
(14) Total Partially Supportable Savings		$665.0	$524.0	$480.0	$1669.0		
(15) Total Partially Supportable Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(16) Total Partially Supportable Savings and Revenue Enhancements		$665.0	$524.0	$480.0	$1669.0		
(17) Memo: Total Partially Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

FURTHER STUDY

(18) LISAB-7	Modify the Supplemental Security Income Program (SSI): develop alternative benefit formula which targets benefits to standard living expense needs and not to available cash income.	241.0	265.0	292.0	798.0	S	A,C
(19) Total Further Study Savings		$241.0	$265.0	$292.0	$798.0		
(20) Total Further Study Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(21) Total Further Study Savings and Revenue Enhancements		$241.0	$265.0	$292.0	$798.0		
(22) Memo: Total Further Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

LOW INCOME STANDARDS AND BENEFITS

(23) Grand Total Savings	$2112.0	$2197.0	$2345.0	$6654.0
(24) Grand Total Revenue Enhancements	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(25) Grand Total Savings and Revenue Enhancements	$2112.0	$2197.0	$2345.0	$6654.0
(26) Memo: Grand Total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

USER CHARGES TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) USER-1	Establish policy team to review and promote new legislation re: user charge programs; establish user charge product function in all Federal departments/agencies and in the Executive Office of the President.	0.0	0.0	0.0	0.0	C,P
(2) USER-2	Charge entrance and day-use fees at Corps of Engineers recreation areas; repeal $6 million appropriations limit for special recreation user fee programs.	15.0	19.8	21.8	56.6 R	C
(3) USER-3	Revise admission and user fees for National Forest Service recreational areas; base ski resort property and summer home rental fees on value of land.	112.3	123.5	135.8	371.6 R	A,C
(4) USER-4	Remove freeze on entrance fees at National Park Service recreation facilities; suspend entrance fees if collection costs exceed receipts over 3-5 year period.	30.0	33.0	36.3	99.3 R	C
(5) USER-6	Utilize auction bid system or fair market value fee schedule to increase Bureau of Land Management user fees collected from grazing program on public rangelands (Department of Interior).	23.0	25.3	27.8	76.1 R	C
(6) USER-7	Utilize auction bid system or fair market value fee schedule to increase Forest Service user fees collected from grazing program on public rangelands (Department of Agriculture).	15.0	16.5	18.2	49.7 R	C
(7) USER-8	Implement fee collection system for Department of Agriculture Forest Service Firewood Program.	19.2	21.1	23.3	63.6 R	A

(8)	USER-11	Implement user fees for cotton grading, warehouse licensing, and other special services of the Agriculture Marketing Service.	8.9	9.8	10.7	29.4 R	A,C
(9)	USER-12	Adjust Federal Grain Inspection Service fees annually to recover costs of providing inspection and weighing services.	4.1	2.0	0.0	6.1 R	A
(10)	USER-13	Reallocate apportionment of existing manufactured housing inspection fees to recover administrative costs of HUD's Office of Manufactured Housing and Construction Standards.	0.4	0.4	0.5	1.3 R	A
(11)	USER-15	Expand Federal Energy Regulatory Commission authority to collect user fees for regulatory services; implement proposed FERC user fee schedule.	23.2	25.5	28.1	76.8 R	A,C
(12)	USER-18	Implement user fees for US Customs Services re: commercial aircraft entry; support legislation authorizing user fees to cover services to identifiable beneficiaries.	109.8	120.8	132.9	363.5 R	A,C
(13)	USER-22	Compendium: Combined user charge issues from released PPSS Reports.	1827.1	2030.9	2183.2	6041.2 R	A,C,P
(14)	Total Fully Supportable Savings		$ 0.0	$ 0.0	$ 0.0	$ 0.0	
(15)	Total Fully Supportable Revenue Enhancements		$2188.0	$2428.6	$2618.6	$7235.2	
(16)	Total Fully Supportable Savings and Revenue Enhancements		$2188.0	$2428.6	$2618.6	$7235.2	
(17)	Memo: Total Fully Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0	

PARTIALLY SUPPORTABLE

(18) USER-5	Increase rates charged by Department of Energy's Power Marketing Administration beyond current cost-recovery formula.	1372.5	1509.7	1660.7	4542.9	R	A,C
(19) USER-9	Charge $25 user fee for soil survey reports conducted by Soil Conservation Service; implement revenue sharing program between SCS and state/local governments.	8.3	9.1	10.0	27.4	R	A,C
(20) USER-10	Improve pricing policies of Foreign Military Sales Program by transferring budgetary/accounting functions to Department of Defense Comptroller.	100.0	110.0	121.0	331.0	R	A
(21) USER-14	Implement user fee schedule for services provided by Federal Communications Commission; utilize management information/accounting system to allocate costs within agency.	40.0	44.0	48.4	132.4	R	A,C
(22) USER-16	Implement user fee program for services provided by US Coast Guard; examine transfer of specific activities to private sector.	49.5	108.9	259.8	418.2	R	A,C
(23) USER-17	Revise Freedom of Information Act legislation to allow for full cost recovery of information requests.	70.0	77.0	84.7	231.7	R	A,C
(24) USER-19	Implement 4-year cost recovery program for Army Corps of Engineers Civil Works Program on capital construction and on operations and maintenance of deep draft harbors and channels.	83.6	268.2	395.1	746.9	R	C
(25) USER-20	Amend waterway legislation to obtain full cost recovery for Corps of Engineers and TVA construction of inland waterways system.	91.3	196.1	313.3	600.7	R	C

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(26) USER-21	Institute management information reporting system at Federal Highway Administration to maintain current pricing of highway user fee; develop legislative mechanism for adjustments to fuel tax rates.	600.0	660.0	726.0	1986.0	R	C
(27) USER-22	Compendium: Combined user charge issues from released PPSS Reports.	1336.4	1480.9	1641.6	4458.9	R	A,C,P
(28) Total Partially Supportable Savings		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(29) Total Partially Supportable Revenue Enhancements		$3751.6	$4463.9	$5260.6	$13,476.1		
(30) Total Partially Supportable Savings and Revenue Enhancements		$3751.6	$4463.9	$5260.6	$13,476.1		
(31) Memo: Total Partially Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

FURTHER STUDY

(32) USER-22	Compendium: Combined user charge issues from released PPSS Reports	3.0	3.3	3.6	9.9	R	C
(33) Total Further Study Savings		$0.0	$0.0	$0.0	$0.0		
(34) Total Further Study Revenue Enhancements		$3.0	$3.3	$3.6	$9.9		
(35) Total Further Study Savings and Revenue Enhancements		$3.0	$3.3	$3.6	$9.9		
(36) Memo: Total Further Study Cash Accelerations		$0.0	$0.0	$0.0	$0.0		

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USER CHARGES TASK FORCE

(37) Grand Total Savings	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(38) Grand Total Revenue Enhancements	$5942.6 *	$6895.8 *	$7882.8 *	$20,721.2 *
(39) Grand Total Savings and Revenue Enhancements	$5942.6 *	$6895.8 *	$7882.8 *	$20,721.2 *
(40) Memo: Grand Total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

* Note: Page 1, Fourth Release Summary Table of 3-Year Savings/Revenues excludes all USER-22 Revenues which total $10,510.0 over 3 years. See line numbers 13, 27, and 32 for details on the $10,510.0 figure.

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BOARDS/COMMISSIONS-BANKING TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
		Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				
FULLY SUPPORTABLE						
(1) BANK-1	Increase annual single-employer insurance premium from $2.60 per pensioner to $6.00; develop a related premium for funding retirement benefit insurance reserve.	97.9	107.7	118.5	324.1 R	C
(2) BANK-2	Amend Employee Retirement Income Security Act to avoid abusive claims and the termination of sufficiently funded plans.	9.1	10.0	11.0	30.1 S	C
(3) BANK-3	Accelerate Pension Benefit Guaranty Corporation's (PBGC) insurance premium collection schedule to no later than 60 days after beginning of plan year.	79.0 7.9	87.0 17.4	96.0 28.7	262.0 CA 54.0 S	A
(4) BANK-5	Develop risk-related PBGC premium rate structure; conduct special assessments of sponsors who underfund benefit programs.	965.0	1061.0	1168.0	3194.0 R	A,C,P
(5) BANK-6	Reduce Export-Import Bank's (Eximbank) exposure and costs by promoting private sector involvement in the export credit insurance industry.	0.0	0.0	0.0	0.0	A
(6) BANK-7	Avoid Eximbank exposure to interest rate fluctuations by matching interest rate maturity of assets and liabilities; establish formal review of interest rate structure.	0.0	0.0	0.0	0.0	A
(7) BANK-8	Reduce Eximbank's space usage to 1979 ratio; investigate conversion to open platform or modular office space arrangement.	0.5	0.6	0.6	1.7 S	A

(8)	BANK-10	Privatize railroad retirement system by developing a private multi-employer pension plan; revoke the tax free status of industry pension benefits.	100.0	110.0	121.0	331.0 R	C
(9)	BANK-11	Increase Tier 2 taxes of Railroad Retirement Board by 4% and reduce benefit levels to prevent insolvency of Railroad Retirement System.	427.0	478.0	537.0	1442.0 R	C
(10)	BANK-12	Move Social Security equivalent of Railroad Retirement System to SSA; require railroad industry and labor groups to fund windfall benefits.	373.5	410.8	451.9	1236.2 S	C
(11)	BANK-13	Increase effective tax rate of Railroad Unemployment and Sickness Insurance to fund current claims and liquidate deficit; develop experience rating system for taxes.	165.0	181.5	199.6	546.1 R	C
(12)	BANK-14	Collect Railroad Retirement Board tax payments on same frequency as Social Security; credit acccounts within one day of monies received by Federal government.	259.0 25.9	0.0 28.5	0.0 31.4	259.0 CA 85.8 S	A
(13)	BANK-15	Eliminate field offices and centralize remaining functions of Railroad Retirement Board following implementation of BANK-12 and 13.	7.9	8.7	9.6	26.2 S	C
(14)	BANK-16	Place railroad Medicare beneficiaries under the Part B area carrier system administered by Health Care Financing Administration.	7.9	8.0	8.0	23.9 S	C
(15)	BANK-18	Place all railroad workers in the Social Security Disability Insurance Program; require remaining disability determinations to be funded by the railroads.	0.0	0.0	0.0	0.0	C
(16)	BANK-19	Charge the Federal Home Loan Bank Board System a user fee for the use of agency status; limit investments of district banks to US Treasury obligations.	0.0	0.0	0.0	0.0	C

(17) BANK-21	Debit Federal Home Loan Bank Board members' accounts rather than invoicing and collecting checks for fees and assessments.	3.3	3.6	4.0	10.9	S	A
(18) BANK-22	Combine Information Systems Division into functional areas, evaluate user requirements, and implement a service charging mechanism to improve ADP management at Federal Home Loan Bank Board.	0.0	0.0	0.0	0.0		A
(19) BANK-23	Re-evaluate and remove tax exemption status of credit unions.	115.0	126.0	138.0	379.0	R	C
(20) BANK-25	Establish an ADP Steering Committee and cost accounting system and implement three year oversight plan to improve ADP management at National Credit Union Administration.	0.0	0.0	0.0	0.0		A
(21) BANK-26	Adopt a locality-based flat rate per-diem method to reimburse travel costs at Federal Home Loan Bank Board and National Credit Union Administration; utilize corporate credit cards to eliminate need for permanent travel advances.	0.5	0.5	0.5	1.5	S	A,C
(22) BANK-27	Establish a new Federal agency to combine the regulatory and insurance functions of the Office of the Comptroller of Currency, Federal Deposit Insurance Corporation, and Federal Reserve System.	17.4	19.1	21.1	57.6	S	C
(23) BANK-28	Reduce costs of regulatory examinations of banks by increasing reliance on states and private sector; modifiy the examination process.	7.3	8.1	8.9	24.3	S	C
(24) BANK-30	Dissolve the Federal Financial Institutions Examination Council; continue examination education program administered by Office of Comptroller of Currency.	2.1	2.3	2.5	6.9	S	C

(25)	BANK-32	Adopt a variable risk-premium system for Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, and National Credit Union Administration.	0.0	0.0	0.0	0.0	C
(26)	BANK-33	Improve adequacy of reserves of the Federal Deposit Insurance agencies.	0.0	0.0	0.0	0.0	C
(27)	BANK-34	Remove the tax exempt status of the Federal Home Loan Mortgage Corporation.	16.4	18.0	19.8	54.2 R	C
(28)	BANK-35	Neutralize agency status of Federal National Mortgage Association and Federal Home Loan Mortgage Corporation to increase private sector involvement in the mortgage financing market.	0.0	0.0	0.0	0.0	C,P
(29)	BANK-37	Review Government National Mortgage Association fees on an annual basis.	0.0	0.0	0.0	0.0	A
(30)	BANK-38	Amend the Farm Credit Act to make Federal Land Banks and Associations and Federal Intermediate Credit Banks subject to taxation.	195.8	215.4	236.9	648.1 R	C
(31)	BANK-39	Neutralize agency status of Farm Credit System by institution of user fees; require organizations having agency status to invest only in US obligations.	0.0	0.0	0.0	0.0	C
(32)	BANK-40	Encourage privatization of Federally sponsored agencies by charging user fee for agency status; require investment only in US obligations; remove tax exempt status.	120.7	241.4	362.1	724.2 R	C
(33)	Total Fully Supportable Savings		$ 463.3	$ 517.6	$ 578.2	$1559.1	
(34)	Total Fully Supportable Revenue Enhancements		$2202.8	$2539.0	$2900.9	$7642.7	
(35)	Total Fully Supportable Savings and Revenue Enhancements		$2666.1	$3056.6	$3479.1	$9201.8	
(36)	Memo: Total Fully Supportable Cash Accelerations		$ 338.0	$ 87.0	$ 96.0	$ 521.0	

PARTIALLY SUPPORTABLE

(37) BANK-4	Evaluate utilization of private insurance so that the Pension Benefit Guaranty Corporation can be an insurer of last resort.	40.0	44.0	48.4	132.4	R	A
(38) BANK-9	Establish a formal management planning process for the Export-Import Bank.	0.0	0.0	0.0	0.0		A
(39) BANK-17	Replace Railroad Retirement Board with a part-time Board of Trustees to improve management of Railroad Retirement System.	1.0	1.1	1.2	3.3	S	C
(40) BANK-20	Consolidate and relocate district banks within Federal Home Loan Bank Board System.	6.0	6.7	7.3	20.0	S	A
(41) BANK-24	Discontinue the central bank function of the National Credit Union Central Liquidity Facility.	1.0	1.9	2.1	5.0	S	C
(42) BANK-29	Consolidate the Federal Reserve System examination function within the Office of the Comptroller of the Currency.	2.2	2.4	2.6	7.2	S	C
(43) BANK-31	Establish a common ADP service organization for Office of Comptroller of Currency and Federal Deposit Insurance Corporation.	1.0	1.1	1.2	3.3	S	A
(44) BANK-36	Consolidate the Mortgage Backed Securities Program within the Government National Mortgage Association; sell servicing of single family loan portfolios.	6.8 0.1	0.0 0.1	0.0 0.2	6.8 0.4	R S	A
(45) BANK-41	Change project selection process of US Synthetic Fuels Corporation to emphasize outreach opportunities of synthetic fuel projects.	5.5	6.0	6.6	18.1	S	A

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(46) Total Partially Supportable Savings	$16.8	$19.3	$21.2	$ 57.3
(47) Total Partially Supportable Revenue Enhancements	$46.8	$44.0	$48.4	$139.2
(48) Total Partially Supportable Savings and Revenue Enhancements	$63.6	63.3	69.6	196.5
(49) Memo: Total Partially Supportable Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

FURTHER STUDY

None

BOARDS/COMMISSIONS-BANKING TASK FORCE

(50) Grand Total Savings	$ 480.1	$ 536.9	$599.4	$1616.4
(51) Grand Total Revenue Enhancements	$2249.6	$2583.0	$2949.3	$7781.9
(52) Grand Total Savings and Revenue Enhancements	$2729.7	$3119.9	$3548.7	$9398.3
(53) Memo: Grand Total Cash Accelerations	$ 338.0	$ 87.0	$ 96.0	$ 521.0

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FOURTH PUBLIC RELEASE OF TASK FORCE RECOMMENDATIONS: May 26, 1983
($ millions)

SUMMARY OF THREE-YEAR SAVINGS AND REVENUE ENHANCEMENTS FOR BOARDS/COMMISSIONS-BUSINESS($ in millions)

Components of Boards/Commissions-Business Task Force	Fully Supportable	Partially Supportable	Further Study	Total
A. Civil Aeronautics Board (CAB)	$ 11.8	$ 0.0	$ 29.8	$ 41.6
B. Commodity Futures Trading Commission (CFTC)	39.7	0.0	0.0	39.7
C. Consumer Product Safety Commission (CPSC)	4.7	2.9	0.8	8.4
D. Federal Communications Commission (FCC)	142.3	0.0	0.0	142.3
E. Federal Maritime Commission (FMC)	3.1	0.0	0.0	3.1
F. Federal Trade Commission (FTC)	3.6	0.0	0.0	3.6
G. Interstate Commerce Commission (ICC)	0.0	0.0	0.0	0.0
H. Occupational Safety and Health Review Commission (OSHRC)	0.0	1.0	1.2	2.2
Sub-total Regulatory Commissions	$ 205.2	$ 3.9	$ 31.8	$ 240.9
I. Federal Insurance Programs (INS)	88.5	303.2	0.0	391.7
J. Tennessee Valley Authority (TVA)	297.8	0.0	0.0	297.8
K. United States Postal Service (USPS)	1803.6	597.7	640.6	3041.9
GRAND TOTAL	$ 2395.1	$ 904.8	$ 672.4	$ 3972.3
Memo: Total Cash Accelerations	$ 35.1	$ 0.0	$ 0.0	$ 35.1

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BOARDS/COMMISSIONS-BUSINESS TASK FORCE
A. CIVIL AERONAUTICS BOARD (CAB)

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) CAB-1	Reduce CAB staff to 350 by "sunset" date.	0.8	3.1	3.5	7.4 S	A
(2) CAB-2	Pass legislation to terminate CAB (early "sunset") on 1-1-84.	1.1	2.0	*	3.1 S	C
(3) CAB-3	Transfer CAB's responsibility of air carrier fitness determination to FAA.	0.4	0.4	0.5	1.3 S	A,C
(4) Total Fully Supportable Savings		$2.3	$5.5	$4.0	$11.8	
(5) Total Fully Supportable Revenue Enhancements		$0.0	$0.0	$0.0	$ 0.0	
(6) Total Fully Supportable Savings and Revenue Enhancements		$2.3	$5.5	$4.0	$11.8	
(7) Memo: Total Fully Supportable Cash Accelerations		$0.0	$0.0	$0.0	$0.0	
PARTIALLY SUPPORTABLE						
None						
FURTHER STUDY						
(8) CAB-4	Implement cost-sharing in the Essential Air Service and small community subsidy programs.	9.0	9.9	10.9	29.8 S	C

* Savings not quantified by Task Force

(9) Total Further Study Savings	$9.0	$9.9	$10.9	$29.8
(10) Total Further Study Revenue Enhancements	$0.0	$0.0	$0.0	$ 0.0
(11) Total Further Study Savings and Revenue Enhancements	$9.0	$9.9	$10.9	$29.8
(12) Memo: Total Further Study Cash Accelerations	$0.0	$0.0	$0.0	$0.0

A. CIVIL AERONAUTICS BOARD Recap:

(13) Sub-total Savings	$11.3	$15.4	$14.9	$41.6
(14) Sub-total Revenue Enhancements	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(15) Sub-total Savings and Revenue Enhancements	$11.3	$15.4	$14.9	$41.6
(16) Memo: Sub-total Cash Accelerations	$0.0	$ 0.0	$ 0.0	$ 0.0

BOARDS/COMMISSIONS-BUSINESS TASK FORCE
B. COMMODITY FUTURES TRADING COMMISSION (CFTC)

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(17) CFTC-1	Reduce personnel costs by improving activity cost accounting and productivity reporting practices and performance appraisals.	*	*	*	*	A
(18) CFTC-2	Collect transaction fees for futures trading.	12.0	13.2	14.5	39.7 R	C
(19) Total Fully Supportable Savings		$ 0.0	$ 0.0	$ 0.0	$ 0.0	
(20) Total Fully Supportable Revenue Enhancements		$12.0	$13.2	$14.5	$39.7	
(21) Total Fully Supportable Savings and Revenue Enhancements		$12.0	$13.2	$14.5	$39.7	
(22) Memo: Total Fully Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0	

PARTIALLY SUPPORTABLE

None

FURTHER STUDY

None

* Savings not quantified by Task Force

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B. COMMODITY FUTURES TRADING COMMISSION Recap:

(23) Sub-total Savings	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(24) Sub-total Revenue Enhancements	$12.0	$13.2	$14.5	$39.7
(25) Sub-total Savings and Revenue Enhancements	$12.0	$13.2	$14.5	$39.7
(26) Memo: Sub-total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

BOARDS/COMMISSIONS-BUSINESS TASK FORCE
C. CONSUMER PRODUCT SAFETY COMMISSION (CPSC)

(1) Task Force and Issue Number	(2) Recommendation	(3) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
		Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				
FULLY SUPPORTABLE						
(27) CPSC-1	Eliminate overlapping administrative responsibilites and reduce number of management positons.	0.9	1.4	1.5	3.8 S	A
(28) CPSC-3	Convert ADP timesharing service to in-house facilities.	(0.1)	0.5	0.5	0.9 S	A
(29) Total Fully Supportable Savings		$0.8	$1.9	$2.0	$4.7	
(30) Total Fully Supportable Revenue Enhancements		$0.0	$0.0	$0.0	$0.0	
(31) Total Fully Supportable Savings and Revenue Enhancements		$0.8	$1.9	$2.0	$4.7	
(32) Memo: Total Fully Supportable Cash Acceleration		$0.0	$0.0	$0.0	$0.0	
PARTIALLY SUPPORTABLE						
(33) CPSC-2	Reduce staffing levels in the Administration Directorate to levels comparable to other agencies.	0.7	1.0	1.2	2.9 S	A
(34) Total Partially Supportable Savings		$0.7	$1.0	$1.2	$2.9	
(35) Total Partially Supportable Revenue Enhancements		$0.0	$0.0	$0.0	$0.0	
(36) Total Partially Supportable Savings and Revenue Enhancements		$0.7	$1.0	$1.2	$2.9	
(37) Memo: Total Partially Supportable Cash Accelerations		$0.0	$0.0	$0.0	$0.0	

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FURTHER STUDY

(38) CPSC-4	Consolidate Headquarters offices and potentially close five regional offices.	0.2	0.3	0.3	$0.8	S	A
(39) Total Further Study Savings		$0.2	$0.3	$0.3	$0.8		
(40) Total Further Study Revenue Enhancements		$0.0	$0.0	$0.0	$0.0		
(41) Total Further Study Savings and Revenue Enhancements		$0.2	$0.3	$0.3	$0.8		
(42) Memo: Total Further Study Cash Accelerations		$0.0	$0.0	$0.0	$0.0		

C. CONSUMER PRODUCT SAFETY COMMISSION Recap:

(43) Sub-total Savings	$1.7	$3.2	$3.5	$8.4
(44) Sub-total Revenue Enhancements	$0.0	$0.0	$0.0	$0.0
(45) Sub-total Savings and Revenue Enhancements	$1.7	$3.2	$3.5	$8.4
(46) Memo: Sub-total Cash Accelerations	$0.0	$0.0	$0.0	$0.0

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BOARDS/COMMISSIONS-BUSINESS TASK FORCE
D. FEDERAL COMMUNICATIONS COMMISSION (FCC)

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(47) FCC-1	Reduce personnel costs by improving management by objectives program, productivity reporting, and performance evaluaton system.	*	*	*	*	A
(48) FCC-2	Improve utilization of data processing resources.	*	*	*	*	A
(49) FCC-3	Collect fees and user charges for FCC services.	43.0	47.3	52.0	142.3 R	A,C
(50) Total Fully Supportable Savings		$ 0.0	$ 0.0	$ 0.0	$ 0.0	
(51) Total Fully Supportable Revenue Enhancements		$43.0	$47.3	$52.0	$142.3	
(52) Total Fully Supportable Savings and Revenue Enhancements		$43.0	$47.3	$52.0	$142.3	
(53) Memo: Total Fully Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0	
PARTIALLY SUPPORTABLE						
(54) FCC-4	Streamline and eliminate some FCC adjudicatory and rulemaking activities.	*	*	*	*	A,C
(55) Total Partially Supportable Savings and Revenue Enhancements		$0.0	$0.0	$0.0	$0.0	
(56) Memo: Total Partially Supportable Cash Accelerations		$0.0	$0.0	$0.0	$0.0	

* Savings not quantified by Task Force

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FURTHER STUDY

None

D. FEDERAL COMMUNICATIONS COMMISSION Recap:

(57) Sub-total Savings	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(58) Sub-total Revenue Enhancements	$43.0	$47.3	$52.0	$142.3
(59) Sub-total Savings and Revenue Enhancements	$43.0	$47.3	$52.0	$142.3
(60) Memo: Sub-total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

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BOARDS/COMMISSIONS-BUSINESS TASK FORCE
E. FEDERAL MARITIME COMMISSION (FMC)

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(61) FMC-1	Reduce staff by implementing more efficient management practices.	0.7	1.1	1.3	3.1 S	A
(62) FMC-2	Automate and contract out current system of handling and processing tariffs.	*	*	*	*	A
(63) FMC-3	Improve processing of FMC agreements.	*	*	*	*	A,C
(64) FMC-4	Transfer pollution control certification of vessels to Coast Guard.	*	*	*	*	P
(65) Total Fully Supportable Savings		$0.7	$1.1	$1.3	$3.1	
(66) Total Fully Supportable Revenue Enhancements		$0.0	$0.0	$0.0	$0.0	
(67) Total Fully Supportable Savings and Revenue Enhancements		$0.7	$1.1	$1.3	$3.1	
(68) Memo: Total Fully Supportable Cash Accelerations		$0.0	$0.0	$0.0	$0.0	

PARTIALLY SUPPORTABLE

None

* Savings not quantified by Task Force

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FURTHER STUDY

(69) FMC-5	Deregulate domestic offshore shipping.	*	*	*	*	A,C
(70) Total Further Study Savings and Revenue Enhancements		0.0	0.0	0.0	0.0	
(71) Memo: Total Further Study Cash Accelerations		$0.0	$0.0	$0.0	$0.0	

E. **FEDERAL MARITIME COMMISSION Recap:**

(72) Sub-total Savings	$0.7	$1.1	$1.3	$3.1
(73) Sub-total Revenue Enhancements	$0.0	$0.0	$0.0	$0.0
(74) Sub-total Savings and Revenue Enhancements	$0.7	$1.1	$1.3	$3.1
(75) Memo: Sub-total Cash Accelerations	$0.0	$0.0	$0.0	$0.0

* Savings not quantified by Task Force

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BOARDS/COMMISSIONS-BUSINESS TASK FORCE
F. FEDERAL TRADE COMMISSION (FTC)

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(76) FTC-1	Restrict the scope of economic research to projects directly related to the FTC mission.	1.5	1.6	1.8	4.9 S	A
(77) FTC-2	Consolidate the seven FTC Washington, D. C., offices into two principal locations.	(0.5)	(0.5)	(0.3)	(1.3) S	A,C
(78) FTC-3	Improve coordination between FTC Bureau of Competition and DOJ Antitrust Division.	*	*	*	*	A
(79) Total Fully Supportable Savings		$1.0	$1.1	$1.5	$3.6	
(80) Total Fully Supportable Revenue Enhancements		$0.0	$0.0	$0.0	$0.0	
(81) Total Fully Supportable Savings and Revenue Enhancements		$1.0	$1.1	$1.5	$3.6	
(82) Memo: Total Fully Supportable Cash Accelerations		$0.0	$0.0	$0.0	$0.0	
PARTIALLY SUPPORTABLE						
None						
FURTHER STUDY						
(83) FTC-4	Establish staffing guidelines, litigation review procedures, and ADP requirements to improve management practices.	*	*	*	*	A,C

* Savings not quantified by Task Force

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(84) FTC-5	Close four regional offices: improve management and supervision of remaining offices.	*	*	*	*	A,C
(85) FTC-6	Reduce average attorney/economist grade levels.	*	*	*	*	A,P
(86) Total Further Study Savings		$0.0	$0.0	$0.0	$0.0	
(87) Total Further Study Revenue Enhancements		<u>$0.0</u>	<u>$0.0</u>	<u>$0.0</u>	<u>$0.0</u>	
(88) Total Further Study Savings and Revenue Enhancements		$0.0	$0.0	$0.0	$0.0	
(89) Total Futher Study Cash Accelerations		$0.0	$0.0	$0.0	$0.0	

F. <u>FEDERAL TRADE COMMISSION Recap:</u>

(90) Sub-total Savings	$1.0	$1.1	$1.5	$3.6
(91) Sub-total Revenue Enahncements	<u>$0.0</u>	<u>$0.0</u>	<u>$0.0</u>	<u>$0.0</u>
(92) Sub-total Savings and Revenue Enhancements	$1.0	$1.1	$1.5	$3.6
(93) Memo: Sub-total Cash Accelerations	$0.0	$0.0	$0.0	$0.0

* Savings not quantified by Task Force

BOARDS/COMMISSIONS-BUSINESS TASK FORCE
G. INTERSTATE COMMERCE COMMISSION (ICC)

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(94) ICC-1	Develop long-term planning goals.	*	*	*	*	A
(95) Total Fully Supportable Savings and Revenue Enhancements		$0.0	$ 0.0	$ 0.0	$0.0	
(96) Memo: Total Fully Supportable Cash Accelerations (CA)		$0.0	$0.0	$0.0	$0.0	
PARTIALLY SUPPORTABLE						
None						
FURTHER STUDY						
(97) ICC-2	Bureau of Accounts: reduce staff levels in accordance with 1980 deregulation legislation (Staggers Act and Motor Carrier Act of 1980).	*	*	*	*	A
(98) ICC-3	Bureau of Traffic: phase-out or significantly reduce tariff filing requirements.	*	*	*	*	A,C,P
(99) ICC-4	Reduce number of ICC commissioners and support staff.	*	*	*	*	A,C,P
(100) ICC-5	Office of Compliance and Consumer Assistance (OCCA): reduce operations, personnel, and expenses.	*	*	*	*	A

* Savings not quantified by Task Force

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(101)ICC-6	Office of Proceedings: reduce staff levels.	*	*	*	*	A
(102)Total Further Study Savings and Revenue Enhancements		$0.0	$0.0	$0.0	$0.0	
(103)Memo: Total Further Study Cash Accelerations		$0.0	$0.0	$0.0	$0.0	

G. INTERSTATE COMMERCE COMMISSION Recap:

(104)Sub-total Savings and Revenue Enhancements	$0.0	$0.0	$0.0	$0.0
(105)Memo: Sub-total Cash Accelerations	$0.0	$0.0	$0.0	$0.0

* Savings not quantified by Task Force

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BOARDS/COMMISSION-BUSINESS TASK FORCE
H. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION (OSHRC)

(1) Task Force and Issue Number	(2) Recommendation	(3) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
		Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				
FULLY SUPPORTABLE						
None						
PARTIALLY SUPPORTABLE						
(106)OSHRC-1	Consolidate OSHRC and the Federal Mine Safety and Health Review Commission.	**	**	**	**	A,C
(107)OSHRC-2	Reduce staff and case processing time by reducing paperwork flow.	0.2	0.4	0.4	1.0 S	A
(108)Total Partially Supportable Savings		$0.2	$0.4	$0.4	$1.0	
(109)Total Partially Supportable Revenue Enhancements		$0.0	$0.0	$0.0	$0.0	
(110)Total Partially Supportable Savings and Revenue Enhancements		$0.2	$0.4	$0.4	$1.0	
(111)Memo: Total Partially Supportable Cash Accelerations		$0.0	$0.0	$0.0	$0.0	

** Savings for this issue are estimated to be $3.1 million over a 3-year period. However, because OSHRC-1 and OSHRC-2 are not additive, only OSHRC-2 savings are included.

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FURTHER STUDY

(112)OSHRC-3	Increase the productivity of Administrative Law Judges by hiring law clerks and supporting the time reporting system.	0.2	0.5	0.5	1.2	S	A
(113)Total Further Study Savings		$0.2	$0.5	$0.5	$1.2		
(114)Total Further Study Revenue Enhancements		$0.0	$0.0	$0.0	$0.0		
(115)Total Further Study Savings and Revenue Enhancements		$0.2	$0.5	$0.5	$1.2		
(116)Memo: Total Futher Study Cash Accelerations		$0.0	$0.0	$0.0	$0.0		

H. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMSSION Recap:

(117)Sub-total Savings	$0.4	$0.9	$0.9	$2.2
(118)Sub-total Revenue Enhancements	$0.0	$0.0	$0.0	$0.0
(119)Sub-total Savings and Revenue Enhancements	$0.4	$0.9	$0.9	$2.2
(120)Memo: Sub-total Cash Accelerations	$0.0	$0.0	$0.0	$0.0

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BOARDS/COMMISSIONS-BUSINESS TASK FORCE
I. INSURANCE (INS)

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(121)INS-2	Increase Overseas Private Investment Corporation insurance reserves from $530 million to $700 million; increase war risk coverage rates to minimize U.S. subsidy of war risk losses.	*	*	*	*	A
(122)INS-3	Improve the process of calculating actuarial rates for the National Flood Insurance Program under the Federal Emergency Management Agency (FEMA).	4.5	5.0	5.5	15.0 S	A,C,P
(123)INS-4	Implement transfer of Federal Crime Insurance Program (FEMA) to state-run programs over 5-year period.	5.0	11.0	18.2	34.2 S	C,P
(124)INS-5	Discontinue Federal Riot Reinsurance program (FEMA); release excess reserves.	10.0 1.0	* 1.1	* 1.2	10.0 CA 3.3 S	C
(125)INS-6	Utilize private insurance reinsured by Federal Crop Insurance Corporation for the sale and delivery of crop insurance.	*	*	*	*	A
(126)INS-7	Revise the Federal Crop Insurance Corporation financial reporting system to present financial data on crop year and fiscal year basis.	*	*	*	*	A
(127)INS-9	Limit the growth of Federal mortgage insurance re: hospital capital financing projects under Federal Housing Administration (FHA-242).	*	*	*	*	A

* Savings not quantified by Task Force

(128)INS-10	Phase-out Mutual Mortgage Insurance Fund program (FHA) to private mortgage insurance industry.	2.7	7.3	12.8	22.8 S	C
(129)INS-11	Automate application and under-writing process of FHA-Mutual Mortgage Insurance Fund program; eliminate conditional commitment process.	(3.8)	5.0	12.0	13.2 S	A
(130)INS-12	Bring Federal insurance and guarantee program reserves in line with risk exposure, including catastrophic loss.	*	*	*	*	A,C
(131)INS-13	Revise methods of computing premium and fee rates charged by Federal insurance and guarantee programs.	*	*	*	*	A
(132)Total Fully Supportable Savings		$ 9.4	$29.4	$49.7	$88.5	
(133)Total Fully Supportable Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0	
(134)Total Fully Supportable Savings and Revenue Enhancements		$ 9.4	$29.4	$49.7	$88.5	
(135)Memo: Total Fully Supportable Cash Accelerations		$10.0	$ 0.0	$ 0.0	$10.0	

PARTIALLY SUPPORTABLE

(136)INS-1	Curtail the Overseas Private Investment Corporation practice of purchasing reinsurance on inconvertibility and expropriation risks.	0.8	1.9	3.0	5.7 S	A
(137)INS-8	Increase the rates of the Federal Crop Insurance Corporation to provide adequate reserves.	45.3	93.9	158.3	297.5 R	A

* Savings not quantified by Task Force

(138)Total Partially Supportable Savings		$ 0.8	$ 1.9	$ 3.0	$ 5.7	
(139)Total Partially Supportable Revenue Enhancements		$45.3	$93.9	$158.3	$297.5	
(140)Total Partially Supportable Savings and Revenue Enhancements		$46.1	$95.8	$161.3	$303.2	
(141)Memo: Total Partially Supportable Cash Accelerations		$0.0	$0.0	$ 0.0	$ 0.0	
FURTHER STUDY						
(142)INS-14	Use loan guarantees as opposed to direct lending in governmental credit policy; increase private sector participation in guaranteed loans.	*	*	*	*	C,P
(143)INS-15	Reduce Federal Crop Insurance Corporation (FCIC) staffing levels.	*	*	*	*	A
(144)Total Further Study Savings and Revenue Enhancements		$0.0	$0.0	$0.0	$0.0	
(145)Memo: Total Further Study Cash Accelerations		$0.0	$0.0	$0.0	$0.0	

I. INSURANCE Recap:

(146)Sub-total Savings	$10.2	$ 31.3	$ 52.7	$ 94.2
(147)Sub-total Revenue Enhancements	$45.3	$93.9	$158.3	$297.5
(148)Sub-total Savings and Revenue Enhancements	$55.5	$125.2	$211.0	$391.7
(149)Memo: Sub-total Cash Accelerations	$10.0	$ 0.0	$ 0.0	$ 10.0

* Savings not quantified by Task Force

BOARDS/COMMISSIONS-BUSINESS TASK FORCE
J. TENNESSEE VALLEY AUTHORITY (TVA)

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(150)TVA-1	Improve management practices and reduce staff within the Office of Engineering Design and Construction.	36.3	40.0	43.9	120.2 S	A
(151)TVA-2	Reduce financing costs by taking advantage of open market opportunities.	3.3	7.2	11.7	22.2 S	A
(152)TVA-3	Effect staff reductions and reassignments to make personnel and labor relations more effective.	5.1	9.9	10.9	25.9 S	A
(153)TVA-4	Reduce upper management turnover through a revised compensation plan and other benefit changes.	*	*	*	*	A,C,P
(154)TVA-5	Improve management practices within the Office of Power to make generating plants operate more cost efficiently.	0.7	1.1	1.2	3.0 S	A
(155)TVA-6	Reduce cost of fuel via changes in TVA coal procurement policies and practices and establish an Office of Fuel Supply.	13.9	14.4	14.4	42.7 S	A
(156)TVA-7	To reduce appropriations for National Fertilizer Development program, seek alterative sources of revenue such as user fees, special sales taxes on fertilizers, etc; also, reduce staff level and make other administrative changes.	12.1	27.1	44.6	83.8 R	A,C
(157)TVA-8	Improve financial reporting system and conduct an in-depth evaluation of all ADP areas.	*	*	*	*	A

* Savings not quantified by Task Force

(158)Total Fully Supportable Savings	$59.3	$72.6	$ 82.1	$214.0
(159)Total Fully Supportable Revenue Enhancements	$12.1	$27.1	$ 44.6	$ 83.8
(160)Total Fully Supportable Savings and Revenue Enhancements	$71.4	$99.7	$126.7	$297.8
(161)Memo: Total Fully Supportable Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

PARTIALLY SUPPORTABLE

None

FURTHER STUDY

None

J. TENNESSEE VALLEY AUTHORITY Recap:

(162)Sub-total Savings	$59.3	$72.6	$ 82.1	$214.0
(163)Sub-total Revenue Enhancements	$12.1	$27.1	$ 44.6	$ 83.8
(164)Sub-total Savings and Revenue Enhancements	$71.4	$99.7	$126.7	$297.8
(165)Memo: Sub-total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

BOARDS/COMMISSIONS-BUSINESS TASK FORCE
K. UNITED STATES POSTAL SERVICE (USPS)

(1) Task Force and Issue Number	(2) Recommendation	(3) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
		Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				
FULLY SUPPORTABLE						
(166)USPS-1	Allow postal service to sell obligations to the public market by using methods currently employed by agencies such as Freddie Mac.	1.0	2.2	3.6	6.8 S	A,C,P
(167)USPS-2	Provide USPS authority to purchase Treasury obligations or high-grade commercial short-term investments.	51.0	56.1	61.7	168.8 R	A,C,P
(168)USPS-3	Maintain existing USPS investment and borrowing program.	33.4	36.7	40.4	110.5 R	A,C,P
(169)USPS-4	Review current rate strucutre in conjunction with projected operating costs.	*	*	*	*	A
(170)USPS-5	Allow USPS to negotiate check processing costs with Treasury or go outside to the commercial banking community to obtain the most advantageous cost to USPS.	18.1	20.0	22.0	60.1 R	A,C
(171)USPS-6	Implement zip-plus-4 system to achieve increased productivity and reduced costs.	(15.7)	85.6	207.5	277.4 S	A,C
(172)USPS-7	Devote management resources to reduce the current 8% non-delivery rate (of properly addressed and mailed third class mail) to at least 4%.	9.2	10.1	11.1	30.4 R	A
(173)USPS-8	Expand use of mechanized mail sorting systems in order to reduce costs and increase production.	21.0	78.0	121.0	220.0 S	A

* Savings not quantified by Task Force

(174)USPS-9	Expand mail volume handled through existing presort programs; allow discounts for all presorted classes of mail.	82.4	92.9	104.1	279.4 S	A
(175)USPS-11	Develop plans to ensure cost-efficient airmail transportation costs after the Civil Aeronautics Board is dissolved.	*	*	*	*	A
(176)USPS-12	Use current analytical management science/operations research techniques in order to reduce mail distribution costs.	54.0	59.4	65.3	178.7 S	A
(177)USPS-14	Develop casing trays and systems to improve the sorting of mail by mail carriers.	*	*	*	*	A
(178)USPS-15	Reinforce and strengthen program management through the USPS Office of Delivery Retail Operations.	*	*	*	*	A
(179)USPS-16	Rescind Executive Order 8427 which allows free delivery of government mail in the Washington, D. C., area.	1.0	1.1	1.2	3.3 S	P
(180)USPS-17	Reduce costs of providing service to rural areas by offering replacement alternative services, which are publically acceptable, while maintaining adequate service levels.	39.8	87.8	144.8	272.4 S	A,C
(181)USPS-18	Reduce mail delivery days from six to five days. Memo: Savings are not quantified, since Congress will not allow USPS to study the issue.	*	*	*	*	C
(182)USPS-19	Establish central procurement authority; improve reporting systems and recruiting practices to strengthen accountability of USPS procurement staff.	*	*	*	*	A
(183)USPS-20	Involve procurement staff in the design and specification development stage of capital equipment projects.	20.0	22.0	24.2	66.2 S	A

* Savings not quantified by Task Force

(184)USPS-21	Accelerate sale of surplus equipment by 10%; utilize surplus equipment as first supply source in filling equipment requests.	2.6 0.3	2.9 0.6	3.2 0.9	8.7 CA 1.8 S	A
(185)USPS-22	Accelerate disposal of excess real property by increasing the disposal rate by 20% each year.	5.0 0.5	5.4 1.1	6.0 1.8	16.4 CA 3.4 S	A
(186)USPS-23	Develop strong purchasing function to achieve productivity, human resource, and cost control goals and objectives set by the Board of Governors.	*	*	*	*	A
(187)USPS-25	Establish a Senior Assistant Postmaster General for Marketing in order to improve USPS customer account and product management.	*	*	*	*	A
(188)USPS-26	Transfer the responsibility for review and approval of the Postal Rate Commission's budget from USPS to OMB.	*	*	*	*	C
(189)USPS-28	Establish employee involvement initiatives that result in increased job satisfaction and productivity.	*	*	*	*	A
(190)USPS-29	Streamline grievance and arbitration process and improve management-labor relations to reduce USPS grievance and arbitration procedural costs.	19.2	21.1	23.2	63.5 S	A
(191)USPS-30	Eliminate submission of dual filing of employee grievances under USPS grievance procedure and Equal Employment Opportunity complaint process.	18.4	20.2	22.3	60.9 S	A,C
(192)USPS-32	Develop and implement a human resource forecasting model and eliminate unnecessary positions through attrition, over the next 5-year period.	*	*	*	*	A

* Savings not quantified by Task Force

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(193)Total Fully Supportable Savings		$241.9	$472.0	$719.9	$1433.8		
(194)Total Fully Supportable Revenue Enhancements		$111.7	$122.9	$135.2	$ 369.8		
(195)Total Fully Supportable Savings and Revenue Enhancements		$353.6	$594.9	$855.1	$1803.6		
(196)Memo: Total Fully Supportable Cash Accelerations		$ 7.6	$ 8.3	$ 9.2	$ 25.1		
PARTIALLY SUPPORTABLE							
(197)USPS-10	Divert mail transported by air to surface transportation; analyze alternate transportation modes and measurement techniques to establish cost-service standards.	35.0	38.5	42.4	115.9	S	A
(198)USPS-13	Establish marketing and project management programs for the implementation of USPS central delivery system.	4.4	38.0	112.0	154.4	S	A
(199)USPS-24	Develop system of risk adjusted hurdle rates and revise overrun approval guidelines to improve evaluation of capital investment projects.	*	*	*	*		A
(200)USPS-27	Revise the existing process of establishing postal rates and classifications to reduce costs of conducting rate proceedings.	*	*	*	*		A,C
(201)USPS-31	Reduce overtime requirements through improved workload planning, employee scheduling, and human resource management.	98.9	108.8	119.7	327.4	S	A
(202)USPS-33	Compare USPS wages and wage-increase policies to other industrial counterparts.	*	*	*	*		A

* Savings not quantified by Task Force

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(203)Total Partially Supportable Savings		$138.3	$185.3	$274.1	$597.7	
(204)Total Partially Supportable Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0	
(205)Total Partially Supportable Savings and Revenue Enhancements		$138.3	$185.3	$274.1	$597.7	
(206)Memo: Total Partially Supportable Cash Accelerations (CA)		$ 0.0	$ 0.0	$ 0.0	$ 0.0	
FURTHER STUDY						
(207)USPS-34	Adhere to established USPS transportation standards: evaluate composition and cost of mail exceeding service standards.	*	*	*	*	A
(208)USPS-35	Revise contracting and routing process to improve transportation service management.	22.6	24.9	27.4	74.9 S	A
(209)USPS-36	Pursue additional contract stations where efficiencies can be gained.	24.3	53.4	88.1	165.8 S	A,C
(210)USPS-37	Develop a nationally directed attendance control program to reduce employee absenteeism rate.	40.8	44.9	49.4	135.1 S	A
(211)USPS-38	Handle USPS equal employment opportunity (EEO) complaints only through the EEO Commission.	76.0	83.6	92.0	251.6 S	A,C,P
(212)USPS-39	Revise policy re: official time granted to employees for the processing of EEO complaints.	4.0	4.4	4.8	13.2 S	A,C,P
(213)Total Further Study Savings		$167.7	$211.2	$261.7	$640.6	
(214)Total Further Study Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0	
(215)Total Further Study Savings and Revenue		$167.7	$211.2	$261.7	$640.6	
(216)Memo: Total Further Study Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0	

* Savings not quantified by Task Force

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K. UNITED STATES POSTAL SERVICE Recap:

(217)Sub-total Savings	$547.9	$868.5	$1255.7	$2672.1
(218)Sub-total Revenue Enhancements	$111.7	$122.9	$ 135.2	$ 369.8
(219)Sub-total Savings and Revenue Enhancements	$659.6	$991.4	$1390.9	$3041.9
(220)Sub-total Cash Accelerations	$ 7.6	$ 8.3	$ 9.2	$ 25.1

BOARDS/COMMISSIONS—BUSINESS TASK FORCE

(221)Grand Total Savings	$632.5	$ 994.1	$1412.6	$3039.2
(222)Grand Total Revenue Enhancements	$224.1	$ 304.4	$ 404.6	$ 933.1
(223)Grand Total Savings and Revenue Enhancements	$856.6	$1298.5	$1817.2	$3972.3
(224)Memo: Grand Total Cash Accelerations	$ 17.6	$ 8.3	$ 9.2	$ 35.1

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FIFTH SUBCOMMITTEE REVIEW OF TASK FORCE RECOMMENDATIONS: June 13, 1983
($ millions)

SUMMARY OF THE THREE-YEAR SAVINGS AND REVENUE ENHANCEMENTS
($ BILLIONS)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Fully Substantiated			Partially Substantiated			
Task Force Reports	Savings	Revenue Enhancements	Sub-total	Savings	Revenue Enhancements	Sub-total	Total
(1) Dept. of Education	$ 2.052	$ 0.000	$ 2.052	$ 0.320	$ 0.000	$ 0.320	$ 2.372
(2) Social Security	3.334	0.980	4.314	5.283	0.000	5.283	9.597
(3) Procurement (cross-cut)	19.424	0.000	19.424	0.847	0.000	0.847	20.271
(4) ADP/OA (cross-cut)	3.529	0.000	3.529	7.668	0.000	7.668	11.197
(5) Fed. Mgmt. Systems	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(6) TOTAL	$ 28.339	$ 0.980	$ 29.319	$ 14.118	$ 0.000	$ 14.118	$ 43.437
(7) MEMO: CASH ACCELERATIONS	NA	NA	5.841	NA	NA	NA	5.841

There are no dollars suggested for Further Study.

DEPARTMENT OF EDUCATION TASK FORCE

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Savings (S)/Revenue Enhancements (R)/Cash Flow Improvements (CF) (Figures Include the Impact of Implementation Costs)				Implementation Authority A = Agency P = President C = Congress
Task Force and Issue Number	Recommendation	(Year 1)	(Year 2)	(Year 3)	3-Year Total	
FULLY SUPPORTABLE						
(1) ED-1	Consolidate various existing direct student loan programs into a more cost effective Guaranteed Student Loan program; require lenders to make multiple disbursements over academic year; amend state regulations to ensure availability of loans to all qualified students.	1850.0 170.5	1850.0 202.1	1850.0 220.7	5550.0 CF 593.3 S	A,C

(2) ED-2	Conduct in-depth study of existing management information systems and internal controls; revise general ledger account structure, and increase audit coverage to reduce waste, fraud, and error.	145.0	294.5	324.0	763.5	S	A
(3) ED-3	Restructure student loan collection procedures and debt management into an independent unit within Education; return control for loan delinquencies in the National Direct Student Loan (NDSL) program from education institutions to Education.	117.0	260.0	286.0	663.0	S	A,C
(4) ED-5	Improve cash management practices: place Letter of Credit - Treasury Financial Communications System on a "positive authorization" basis, assign priority to completion of Education Payments System, and upgrade financial systems and internal controls.	97.0 9.7	97.0 10.7	97.0 11.7	291.0 32.1	CF S	A
(5) Total Fully Supportable Savings		$442.2	$767.3	$842.4	$2051.9		
(6) Total Fully Supportable Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(7) Total Fully Supportable Savings and Revenue Enhancements		$442.2	$767.3	$842.4	$2051.9		
(8) Memo: Total Fully Supportable Cash Flow Improvements		$1947.0	$1947.0	$1947.0	$5841.0		

PARTIALLY SUPPORTABLE

(9) ED-4	Improve award, administration, monitoring, and closeout procedures of contracts and discretionary grants at Dept. of Education.	132.5	35.7	39.4	207.6	S	A,C

(10) ED-6	Consolidate grant programs into block grants; investigate consolidating the Bilingual and Minority Language Affairs with a larger program, and Pell, Supplemental Education Opportunity and Campus Work-Study programs into a single program; phase out programs that are no longer needed or have diminished in size to the point that administration is too costly.	5.2	10.1	11.1	26.4 S	A,C
(11) ED-7	Consider early divestment of unrelated activities; institute comprehensive long-range operational "business plan" to improve management and productivity. This includes redefining the Dept.'s mission, adjusting the organizational structure,and implementing reporting system.	5.0	10.0	20.0	35.0 S	A,C
(12) ED-8	Redefine scope of the Horace Mann Learning Center; complete job classification audit; decentralize personnel support functions; and, substitute tight budgets and manpower ceilings for the employement freeze to reduce personnel costs.	9.7	10.7	11.7	32.1 S	A
(13) ED-9	Assign responsibility for ADP functions to separate staff unit; install automated procurement and tracking system to improve ADP function.	0.6	1.8	17.0	19.4 S	A
(14) Total Partially Supportable Savings		$153.0	$68.3	$99.2	$320.5	
(15) Total Partially Supportable Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0	
(16) Total Partially Supportable Savings and Revenue Enhancements		$153.0	$68.3	$99.2	$320.5	
(17) Memo: Total Partially Supportable Cash Flow Improvements		$ 0.0	$ 0.0	$ 0.0	$ 0.0	

FURTHER STUDY

None

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DEPARTMENT OF EDUCATION TASK FORCE

(17) Grand Total Savings	$ 595.2	$ 835.6	$ 941.6	$2372.4
(18) Grand Total Revenue Enhancements	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(19) Grand Total Savings and Revenue Enhancements	$ 595.2	$ 835.6	$ 941.6	$2372.4
(20) Memo: Grand Total Cash Flow Improvements	$1947.0	$1947.0	$1947.0	$5841.0

HEALTH AND HUMAN SERIVCES - SOCIAL SECURITY ADMINISTRATION TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) SSA-1	Improve effectiveness of the 5-year Systems Modernization Plan (SMP) designed to upgrade SSA automated data processing operations.	0.0	0.0	0.0	0.0	A
(2) SSA-2	Improve management of the SMP implementation plan: develop more realistic timeframes, request full funding on a program basis, monitor performance of outside contractors, and establish various ADP positions to improve overall effectiveness of ADP operations.	0.0	0.0	0.0	0.0	A
(3) SSA-3	Redesign the Annual Wage Reporting Process; impose penalties for erroneous reporting and split the suspense account holding unposted earnings into an inactive file.	0.0	0.0	0.0	0.0	A
(4) SSA-5	Impose fiscal sanctions on states which fail to achieve legislated error rate targets in the Aid to Families with Dependent Children program (Michel Amendment); impose sanctions on a prospective payment basis.	86.0	24.0	131.0	241.0 S-	A
(5) SSA-6	Revise Annual Earnings Test (AET) operations to reduce erroneous benefit payments: collect annual earnings reports for 1980-1982 and estimated earnings for upcoming year; adjust benefits based on projected earnings; accelerate enforcement operations; collect interest on over-payments.	924.0 306.0	989.0 325.0	1064.0 349.0	2977.0 S 980.0 R	A

(6) SSA-8	Issue new SSI regulations to eliminate future Federal Fiscal Liability (FFL) payments; eliminate additional quality assurance case samples for measurement of state FFL error rates.	34.2	38.4	43.2	115.8	S	A
(7) Total Fully Supportable Savings		$1044.2	$1051.4	$1238.2	$3333.8		
(8) Total Fully Supportable Revneue Enhancements		$ 306.0	$ 325.0	$ 349.0	$ 980.0		
(9) Total Fully Supportable Savings and Revenue Enhancements		$1350.2	$1376.4	$1587.2	$4313.8		
(10) Memo: Total Fully Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
PARTIALLY SUPPORTABLE							
(11) SSA-4	Implement a supervisory productivity management system and a system to manage field office productivity to improve workflow management within SSA; reduce supervisory span of control to maximum of 12 employees in the Office of Program Development.	382.5	421.0	463.0	1266.5	S	A
(12) SSA-7	Reduce number of SSA offices to 500 with corresponding staff reductions.	86.6	95.3	104.8	286.7	S	A
(13) SSA-9	Develop simplified employee Program Operating Manuals (POM) for claims processing; review training programs in light of new procedures; evaluate computerized procedures manual.	33.4	23.5	25.9	82.8	S	A
(14) SSA-10	Develop new procedures for the initial processing of Disability Insurance claims; simplify and streamline the appeals process.	1101.9	1212.1	1333.3	3647.3	S	A,C,P

(15) Total Partially Supportable Savings	$1604.4	$1751.9	$1927.0	$5283.3
(16) Total Partially Supportable Revenue Enhancements	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(17) Total Partially Supportable Savings and Revenue Enhancements	$1604.4	$1751.9	$1927.0	$5283.3
(18) Memo: Total Partially Supportable Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

FURTHER STUDY

None

HEALTH AND HUMAN SERVICES - SOCIAL SECURITY ADMINISTRATION TASK FORCE

(19) Grand Total Savings	$2648.6	$2803.3	$3165.2	$8617.1
(20) Grand Total Revenue Enhancements	$ 306.0	$ 325.0	$ 349.0	$ 980.0
(21) Grand Total Savings and Revenue Enhancements	$2954.6	$3128.3	$3514.2	$9597.1
(22) Memo: Grand Total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

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PROCUREMENT CONTRACTS, AND INVENTORY MANAGEMENT TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) PROC-1	Continue current reforms of the procurement process through the Uniform Federal Procurement System; promote a central leadership role for the Office of Federal Procurement Policy (OFPP)/OMB.	0.0	0.0	0.0	0.0	A,C,P
(2) PROC-3	Evaluate and revise Acquisition Improvement Program (Carlucci Initiatives); expand program beyond weapons acquisition to consumables and other non-weapon acquisition.	0.0	0.0	0.0	0.0	A
(3) PROC-4	Expand use of multi-year contracting in all Federal agencies; simplify budget process and utilize discounted cash flow methodology to evaluate the relative attractiveness of multi-year candidates.	500.0	1100.0	1815.0	3415.0 S	A,C,P
(4) PROC-5	Improve the program prioritization and implementation process in the Armed Services and the Office of the Secretary of Defense; combine budget and programmatic phases of the Planning, Programming, and Budgetary System.	0.0	0.0	0.0	0.0	A
(5) PROC-6	Develop comprehensive Program Management and Acquisition Plan with expanded scope; use plan as basis for cost and schedule estimates; decentralize program management in accordance with approved plans.	300.0	825.0	1815.0	2940.0 S	A
(6) PROC-7	Streamline source selection process for contractors; base selection on lowest "total cost;" monitor and upgrade subcontracting activities by prime contractors.	100.0	275.0	605.0	980.0 S	A

(7)	PROC-8	Strenghten cost estimating and scheduling functions in DoD, institute greater discipline to produce "most likely" results and rebaseline major weapon system programs that undergo significant configuration change.	300.0	825.0	1815.0	2940.0 S	A,C,P
(8)	PROC-9	Integrate program management organization within OSD and the Armed Services, and strengthen discipline and delegation in the acquisition process; develop career paths in program management.	100.0	275.0	605.0	980.0 S	A
(9)	PROC-10	Require compliance with Economic Order Quantity (EOQ) system within the DoD to improve inventory management; establish guidelines to regularly assess and adjust to current levels the purchasing and inventory carrying costs.	600.0	1775.0	2165.0	4540.0 S	A
(10)	PROC-11	Pursue ADP modernization plan within DoD to enhance inventory data and visibility.	130.0	382.0	781.0	1293.0 S	A
(11)	PROC-13	Implement a test program of base-support service consolidation within DoD.	20.0	55.0	181.0	256.0 S	A
(12)	PROC-14	Separate procurement policy and service functions from GSA and place in OFPP/OMB; also, direct all Federal agencies to use GSA for procurement with limited exceptions.	0.0	0.0	0.0	0.0	A,C,P
(13)	PROC-15	Streamline organization of GSA's Federal supply service by converting to a full commodity center approach; contract out retail supply activities and evaluate method of supply.	10.0	22.0	42.0	74.0 S	A
(14)	PROC-16	Consolidate all DoD contract administration activities within a single organization; develop modernized data base software facilities.	10.0	55.0	120.0	185.0 S	A
(15)	PROC-17	Transfer management of an additional 900,000 items to Defense Logistics Agency to further centralize management of consumables.	(108.0)	38.0	90.0	20.0 S	A

(16) PROC-18	Accelerate application of OMB A-76 guidelines at DoD to improve contracting procedures for private sector goods and services.	120.0	330.0	726.0	1176.0	S	A,P
(17) PROC-19	Increase accountability of contract management personnel and establish vendor performance records to improve bid award and contract management processes.	10.0	27.0	60.0	97.0	S	A
(18) PROC-20	Increase centralization of civilian agency procurement activities.	(40.0)	110.0	242.0	312.0	S	A
(19) PROC-21	Minimize the multiple contract award program and develop a competitive limited award program within the Federal Supply Service schedules program.	10.0	27.0	48.0	85.0	S	A
(20) PROC-22	Simplify Federal procurement process by developing a comprehensive program to increase use of functional and simplified specifications.	15.0	44.0	72.0	131.0	S	A
(21) Total Fully Supportable Savings		$2,077.0	$6,165.0	$11,182.0	$19,424.0		
(22) Total Fully Supportable Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(23) Total Fully Supportable Savings and Revenue Enhancements		$2,077.0	$6,165.0	$11,182.0	$19,424.0		
(24) Memo: Total Fully Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

PARTIALLY SUPPORTABLE

(25) PROC-2	Initiate a comprehensive reform of socio-economic programs implemented through the procurement process; tie the thresholds for socio-economic programs to ceiling for simplified small purchase procedures; increase simplified small purchase procedures ceiling from $10,000 to $25,000 government-wide.	0.0	0.0	847.0	847.0	S	A,C,P

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(26) PROC-12	Initiate program of "wall-to-wall" inventory taking on a periodic basis and implement LOGMARS Bar Code System to improve DoD inventory practices.	0.0	0.0	0.0	0.0	A
(27) Total Partially Supportable Savings		$0.0	$0.0	$847.0	$847.0	
(28) Total Partially Supportable Revenue Enhanements		$0.0	$0.0	$ 0.0	$ 0.0	
(29) Total Partially Supportable Savings and Revenue Enhancements		$0.0	$0.0	$847.0	$847.0	
(30) Memo: Total Partially Supportable Cash Accelerations		$0.0	$0.0	$ 0.0	$ 0.0	

FURTHER STUDY

None

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PROCUREMENT, CONTRACTS, AND INVENTORY MANAGEMENT TASK FORCE

(31) Grand Total Savings	$2,077.0	$6,165.0	$12,029.0	$20,271.0
(32) Grand Total Revenue Enhancements	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(33) Grand Total Savings and Revenue Enhancements	$2,077.0	$6,165.0	$12,029.0	$20,271.0
(34) Memo: Grand Total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

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AUTOMATED DATA PROCESSING/OFFICE AUTOMATION TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
		Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs)				
FULLY SUPPORTABLE						
(1) ADP-1	Create new Office of Federal Information Resources Management responsible for the development of government-wide information technology policy and direction; appoint a Federal Information Resource Manager within the proposed OFM to direct, among other things, full compliance with Paperwork Reduction Act of 1980.	0.0	0.0	0.0	0.0	P
(2) ADP-2	Strengthen role and position of agency Information Resource Managers (AIRMs); revise OMB Bulletin 81-21 to provide more guidance on intended role and selection of AIRMs; establish an Information Management Steering Committee within each Federal agency.	0.0	0.0	0.0	0.0	A
(3) ADP-3	Shift role of GSA from strict oversight of ADP/OA acquisition to increased agency procurement authority (for specified period of time); publish ADP acquisition guidebook for agency use; maintain complete inventory of government ADP hardware and communications systems.	0.0	0.0	0.0	0.0	A
(4) ADP-4	Conduct full ADP system effectiveness audit within each agency to determine means for consolidation and enhancement of systems at agency-level.	500.0	1100.0	1818.0	3418.0 S	A

(5) ADP-5	Amend existing OMB Circular A-121 to require delineation of telecommunications sub-category costs of budget document 43B (this will provide a mechanism for automation of teleprocessing costs of end users in shared networks).	0.0	0.0	0.0	0.0	A
(6) ADP-7	Improve ADP personnel recruitment and management: develop, on a pilot basis, a modified position classification system; make standards development process more responsive to changes in technology; and use cash incentives to reward performance.	0.0	0.0	0.0	0.0	A,P
(7) ADP-8	Maintain strong management support for automated processing developmemt work at U.S. Department of Customs; develop guidelines and long range ADP plans for Customs. (This issue is still under review and development by the PPSS Treasury Task Force — Issue 11; therefore, savings have not yet been quantified.)	0.0	0.0	0.0	0.0	A
(8) ADP-9	Bureau of Census: terminate procurement of information technology improvements through a demonstration/prototype approach (OMB A-109) which involves contracting out major architectural design activity.	1.0	8.5	5.3	14.8 S	A
(9) ADP-10	Department of Army: create a new Army Command for Data Processing; standardize, consolidate, and modernize Army systems. (This issue is still under review and development by the PPSS Army Task Force — Issue 15; therefore, savings have not yet been quantified.)	0.0	0.0	0.0	0.0	A
(10) ADP-11	Department of Transportation: consolidate ADP functions of six administrations within Office of Secretary; establish structured ADP development procedures and increase use of DOT's timesharing service.	12.4	15.6	18.4	46.4 S	A

(11) ADP-12	Department of Air Force: establish functional, financial, and timespan objectives for ADP systems development/procurement; emphasize "functional effectiveness" and de-emphasize technical optimization of ADP system. (This issue is still under review and development by the PPSS Air Force Task Force — Issue 12; therefore, savings are not yet quantified.)	0.0	0.0	0.0	0.0	A
(12) ADP-13	Environmental Protection Agency: authorize implementation of EPA/ADP Consolidation Task Force Report (Feb. 1982) with modifications: halt consolidation of laboratory ADP activities; establish Systems Planning and Architecture Division and Telecommunications Services Division; and develop EPA/ADP systems manual.	6.7	7.4	8.1	22.2 S	A
(13) ADP-14	Overhaul Health Care Financing Administration - Electronic Data Processing System.	(26.0)	12.0	42.0	28.0 S	A
(14) ADP-15	Emphasize upgrading all government systems that support claims benefits or compensation processes; require AIRM and ADP Steering Committee to review claims, benefits, compensations, and related activities for automation.	0.0	0.0	0.0	0.0	A
(15) ADP-16	Department of Defense: upgrade existing inventory management data systems.	0.0	0.0	0.0	0.0	A
(16) ADP-17	Internal Revenue Service (IRS): accelerate schedules for implementation of ADP/OA inititatives; accelerate completion of Tax Processing System Redesign project from 1989 to 1987; perform cost/benefit analysis of IRS ADP plans by Dept. of Treasury.	0.0	0.0	0.0	0.0	A,C
(17) ADP-18	Compendium: combined ADP/OA issues from released PPSS Reports.	1592.5	2413.8	3222.1	7228.4 S	A,C,P

(18) Total Fully Supportable Savings		$2086.6	$3557.3	$5113.9	$10,757.8		
(19) Total Fully Supportable Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
(20) Total Fully Supportable Savings and Revenue Enhancements		$2086.6	$3557.3	$5113.9	$10,757.8		
(21) Memo: Total Fully Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0		
PARTIALLY SUPPORTABLE							
(22) ADP-4	Encourage application of planning and technical concepts for guidance in ADP/OA operations.	33.0	182.0	399.0	614.0	S	A
(23) ADP-5	Require GSA to document pertinent characteristics of Federally operated data networks; analyze ADP systems employing significant recurring levels of teleprocessing (TP) to develop opportunities for cost sharing, higher efficiency, and enhanced system effectiveness.	55.0	220.0	242.0	517.0	S	A,P
(24) ADP-6	Require each agency to submit Office Automation (OA) status report and plan; establish concise agency OA guidelines stressing coordinated procuremnt and long range planning; and increase professional and clerical usage of OA tools to improve management of Office Automation.	339.0	2211.0	3987.0	6537.0	S	A,P
(25) ADP-18	Compendium: combined ADP/OA issues from released PPSS Reports.	1014.5 86.4	1024.9 95.0	1030.4 104.5	3069.8 285.9	S R	A,C,P
(26) Total Partially Supportable Savings		$1441.5	$3637.9	$5658.4	$10,737.8		
(27) Total Partially Supportable Revenue Enhancements		$ 86.4	$ 95.0	$ 104.5	$ 285.9		
(28) Total Partially Supportable Savings and Revenue Enhancements		$1527.9	$3732.9	$5762.9	$11,023.7		
(29) Memo: Total Partially Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0		

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FURTHER STUDY

(30) ADP-18	Compendium: combined ADP/OA issues from released PPSS Reports.	0.5	0.6	1.9	3.0	S	A
(31) Total Further Study Savings		$0.5	$0.6	$1.9	$3.0		
(32) Total Further Study Revenue Enhancements		$0.0	$0.0	$0.0	$0.0		
(33) Total Further Study Savings and Revenue Enhancements		$0.5	$0.6	$1.9	$3.0		
(34) Memo: Total Further Study Cash Accelerations		$0.0	$0.0	$0.0	$0.0		

AUTOMATED DATA PROCESSING/OFFICE AUTOMATION TASK FORCE

(35) Grand Total Savings	$3528.6 *	$7195.8 *	$10,774.2 *	$21,498.6 *
(36) Grand Total Revenue Enhancements	$ 86.4 *	$ 95.0 *	$ 104.5 *	$ 285.9 *
(37) Grand Total Savings and Revenue Enhancements	$3615.0 *	$7290.8 *	$10,878.7 *	$21,784.5 *
(38) Memo: Grand Total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

*Note: Page 1, Fifth Release Summary Table of 3-Year Savings/Revenues excludes all ADP 18 Savings/Revenues which total 10,587.1 over 3 years. See line numbers 17, 25 and 30 for details on the 10,587.1 figure.

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FEDERAL MANAGEMENT SYSTEMS TASK FORCE

(1) Task Force and Issue Number	(2) Recommendation	(3) Savings (S)/Revenue Enhancements (R)/Cash Accelerations (CA) (Figures Include the Impact of Implementation Costs) (Year 1)	(4) (Year 2)	(5) (Year 3)	(6) 3-Year Total	(7) Implementation Authority A = Agency P = President C = Congress
FULLY SUPPORTABLE						
(1) FMS-1	Executive Branch and Administration Establish Office of Federal Management (OFM) within the Executive Office of the President. Also: o Establish high priority to improve management practices. o Select OFM officials based on prior demonstrated managerial experience. o Establish clear working relationships among OFM, GSA, and OPM. o Develop effective MIS to support central leadership. o Continue to delegate GSA and OPM responsibilities for operating functions to agencies.	*	*	*	*	C,P
(2) FMS-2	Government-wide Management Information Systems o Convert agency-unique ADP systems to common systems. o Provide overall guidance on systems commonality project, which seeks to establish a common standard information network rather than a uniform central system.	*	*	*	*	C,P

* Savings are not quantifiable.

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FMS-2 (cont)	o Identify management information needed by agency heads, OMB, OPM, GSA, and Treasury.					
	o Target payroll as the first common computer system for development.	**	**	**	**	
(3) FMS-3	<u>Government-wide Financial Management Activities</u>	*	*	*	*	C,P
	o Establish Financial Management Office within the Office of Federal Management.					
	o Install comptrollership functions in all departments and agencies.					
	o Develop appropriate form of annual external financial reporting.					
	o Modify present budgetary classifications.					
	o Redefine financial management objectives and corresponding MIS requirements.					
	o Mandate compliance with updated GAO accounting standards (Title 2). We understand GAO is currently updating the existing accounting standards which date back to 1950.					
	o Develop and implement a program of financial management education to make managers and their evaluators, the Legislature, more familiar with financial management techniques and related technology.					

* Savings are not quantifiable.

** Costs for the acquisition and testing of a common payroll system are estimated to be $11 million over years 1 through 3. However, cumulative net savings over the next 13 years are estimated to be roughly $735 million.

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(4) FMS-4	<u>Audit Activities</u> o Replace the existing part-time President's Counsel on Integrity and Efficiency (PIEC) with a full-time audit support division. o Establish balance between grant contract and other auditing functions. o Increase attention to internal control evaluations (e.g., methods to prevent fraud, waste, abuse, and mismanagement. o Upgrade personnel capabilities including the areas of ADP auditing and statistical sampling.	*	*	*	*	P
(5) FMS-5	<u>Capital Budgeting</u> Add a special capital analysis section to the annual budget. Short-term "Special Analysis D" could be reformatted to provide more useful information: however, long-term some other means should be developed to relate the nation's long-term needs and the government's long-term public works investment strategies.	*	*	*	*	P
(6) FMS-6	<u>Long-term Planning</u> o Link long-term Presidential objectives, budgeting, and agency plans to improve resource allocation. o Focus responsibility for overseeing the planning process within the Office of Federal Management.	*	*	*	*	P
(7) FMS-7	<u>Internal Communications Systems</u> Design and implement an Executive Branch internal communications program to improve understanding of the Administration's objectives and how progress toward those objectives will be measured.	*	*	*	*	P

* Savings are not quantifiable.

(8) FMS-8	**Orientation of Appointees** Establish an orientation program for Executive-level appointees. This program should have follow-up sessions for mid-term appointees.	*	*	*	*	P
(9) FMS-9	**Employee Survey/Feedback Systems** Establish survey/feedback systems in Executive Branch departments and agencies.	*	*	*	*	P
(10) FMS-10	**Improvement of Federal Evaluation** o Require each agency to develop annual strategic plans for the evaluation of designated programs and for the contribution these evaluations can make to agency and program planning. o Improve quantity/quality of data available to program managers and decision makers. o Use evaluation results more consistently to determine appropriate matching of resources to service levels and also to project long-term needs more realistically.	*	*	*	*	P
(11) Total Fully Supportable Savings and Revenue Enhancements		$ 0.0	$ 0.0	$ 0.0	$ 0.0	
(12) Memo: Total Fully Supportable Cash Accelerations		$ 0.0	$ 0.0	$ 0.0	$ 0.0	

PARTIALLY SUPPORTABLE

None

FURTHER STUDY

None

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FEDERAL MANAGEMENT SYSTEMS TASK FORCE

(13) Grand Total Savings and Revenue Enhancements	$ 0.0	$ 0.0	$ 0.0	$ 0.0
(14) Memo: Grand Total Cash Accelerations	$ 0.0	$ 0.0	$ 0.0	$ 0.0

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