



Reinvention Roundtable

Helping Federal Workers Create A Government That Works Better and Costs Less

OCC Is Already Overhauling Its Regs

The Office of the Comptroller of the Currency is conducting a top-to-bottom, zero-based, A-to-Z review of its regulations—regulations that directly shape the way banks run their business.

“We want all regulations to focus on achieving results,” Comptroller Eugene A. Ludwig said. He also wants them written in a way that any business person could understand, without having to be deciphered by a bank’s legal department. This is the first time such a thorough regulation review has been conducted in the OCC’s 130-year history.

Washington Post staff writer Cindy Skrzycki lauded the Comptroller in a story on March 10. “Ludwig has emerged as a ‘90’s kind of regulator,” she wrote. “He has been able to make major changes that help the banking industry while not compromising his agency’s fundamental mission, ensuring a sound and safe banking system.”

Continued on page 11

President Clinton Mandates Regulatory Reform: “We Want Results, Not Rules”

President Clinton announced the Regulatory Reinvention Initiative in a special meeting of the heads of regulatory agencies and the cabinet on February 21. “We have to change the culture of regulation that has permeated government,” he said. He asked regulatory officials to conduct a page-by-page review of all rules and regulations and to report back to him by June 1.

Reform—Yes

The regulatory system needs to be reformed, not eliminated, the President stressed. “And we must do it while we are shrinking the federal bureaucracy...I am determined to see reform of our regulatory system, so that it costs less, meddles less, and puts more responsibility into the hands of the people themselves.”

Continued on page 11



President Clinton announced the second phase of the National Performance Review on December 19. With the President are Office of Management and Budget Director Alice Rivlin, Deputy Energy Secretary Bill White, and Vice President Gore. See page 6.

In This Issue:

- ★ Regulatory Model3
- ★ New Approach to Federalism4
- ★ REGO II6
- ★ Reinvention Resources8
- ★ Streamlining Procurement.....9





Reinvention Roundtable

Vol. 2, No. 1

April 1995

National Performance Review

750–17th St., NW, Suite 200
Washington, DC 20006
(202) 632–0150; FAX 0390; email:
rego.news@npr.gsa.gov

Director of Communications: Phyllis Anderson

Newsletter Team: Norman Bowles, Mary Ellen Dix, Rosanna Esposito, Frank Kruesi, Glynis Long, Cindy Rheaume, Mary Tanner, and Larry Vick.

Editor: Patricia B. Wood

Please Share

We are using various mailing lists to distribute electronic and paper copies of this newsletter. To get copies by Internet e-mail, write almanac@ace.esusda.gov with message send *npr-roundtable catalog*. We hope you will copy this newsletter like mad and distribute it to as many people as possible, both inside and outside government.

ISO

We're looking for a federal employee to edit Reinvention Roundtable at the National Performance Review for 6 months or longer. This job entails taking each issue from concept to final product, including distribution. Writing–editing skills are a must; design and desktop publishing skills are a plus. Check with your agency first, then call the editor.

Next Issue:

★ How to Write Clear Regs ★

What the President Expects Regulators to Do

President Clinton moved quickly following his regulatory reform briefing on February 21 to let heads of departments and agencies know his expectations and timetable for overhauling the federal government's regulatory culture and processes.

In a March 4 memo he said reform of the regulatory system is the "central part of reinventing government" and "must be a top priority." The current initiative will build on the regulatory philosophy set out in Executive Order No. 12866 of September 30, 1993.

"In the year and a half since that order was signed, we have opened the rule-making process to the public, we have increased cooperation and coordination among the federal agencies, and we have seen good processes produce good decisions," the President said. "However, not all agencies have taken the steps necessary to implement regulatory reform."

Cut Regs, Reward Results, Create Partnerships, and Negotiate—NOW

The President directed agencies to focus immediately on four steps:

- *Cut Obsolete Regulations.* Conduct a page-by-page review of all regulations and eliminate or revise those that are outdated or in need of reform. The review should include a number of issues, including ways the goals could be achieved in more efficient, less intrusive ways. Ask if there are other alternatives, such as turning the responsibility over to the private sector or states and localities.

TIMETABLE: Submit a list to the President by June 1, distinguishing between those that require administrative action and those that require legislation.

- *Reward Results, Not Red Tape.* Change the way you measure performance, focusing on results, not process and punishment. For example, Occupational Safety and Health Administration inspectors should not be evaluated by the number of citations they write. First, identify performance measures that you hope to achieve through your regulatory program, write them up in clear, understandable terms, and circulate to frontline regulators for comment. This is the same work required to meet the requirements of the Government Performance and Results Act of 1993. Second, evaluate and reward employees based on these goals.

TIMETABLE: By June 1, eliminate all internal personnel performance measures based on process and punishment. Provide the National Performance Review a catalog of the changes you are making to reward employees, including information on shifts in resource allocations from enforcement to compliance.

- *Get Out of Washington and Create Grassroots Partnerships.* Promptly convene groups of frontline regulators and the people affected by their regulations all over the country.

TIMETABLE: Submitted schedule to NPR by March 30.

- *Negotiate, Don't Dictate.* Expand considerably your efforts to promote consensual rulemaking. It is time, the President said, to move from a process where lawyers and bureaucrats write volumes of regulations to one where people work in partnership to issue sensible regulations that impose the least burden without sacrificing rational and necessary protections. In September, 1993, the President asked each agency to identify at least one rule that could be conducted through negotiated rulemaking. The President said he would amend the Executive Order 12838 that reduced the number of advisory committees. The amendment will allow for advisory committees for negotiated rulemakings.

TIMETABLE: By March 30, submitted a list of upcoming rulemakings that can be negotiated to the Office of Information and Regulatory Affairs. ✪

Reform of the regulatory system

*is the "central part of
reinventing government."*

A Regulatory Model

Miami's Customs Service Pleases Shippers and Regulators

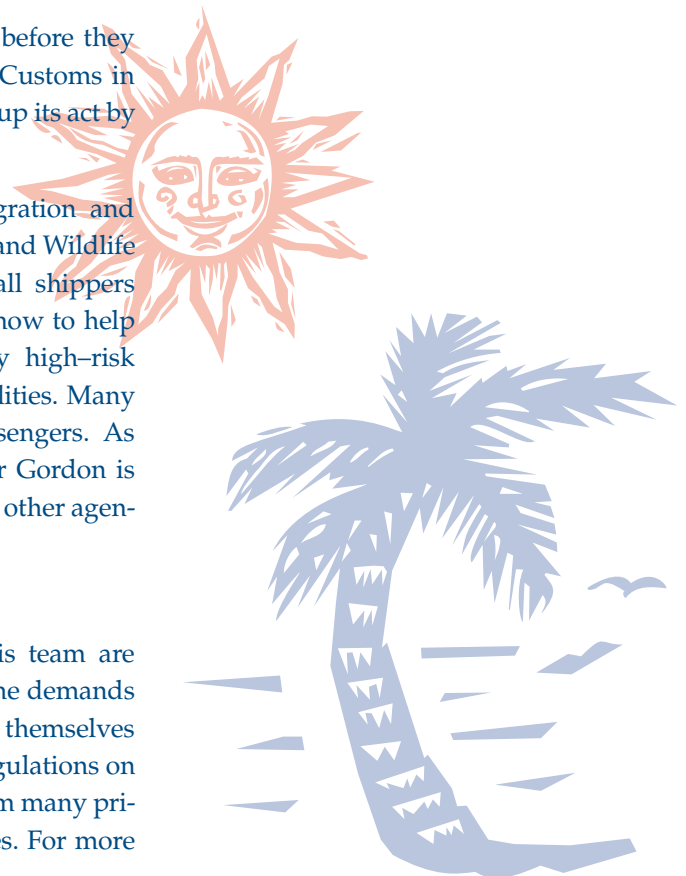
Fresh flowers and other perishables used to wilt in the Miami sun while Customs officials searched shipments box by box, and the airlines got the complaints. Passengers got a bit grumpy, as well, when they had to stand in line 30 minutes to clear Customs.

No more. Now in Miami many shipments clear Customs even before they reach port, and passengers get through in less than 5 minutes. Customs in Miami, led by District Director D. Lynn Gordon, decided to clean up its act by focusing on customer service, not process and punishment.

Customs began working with other federal agencies—Immigration and Naturalization Service, Food and Drug Administration, and Fish and Wildlife Service—to view shippers as customers. The agency invited all shippers to form a partnership. Customs employees taught the shippers how to help with enforcement, and the shippers helped Customs identify high-risk shipments. Together they built computer systems and other facilities. Many things are much improved for shippers, regulators, and passengers. As another plus, enforcement rates are at an all time high. Director Gordon is temporarily working at the National Performance Review to help other agencies reinvent themselves.

Meanwhile, Back in Washington

Back in Washington, DC, Commissioner George Weise and his team are working hard to align the mission of the Customs Service with the demands of a rapidly changing global economy. They are reinventing themselves (Customs—one of the oldest of all federal agencies—even had regulations on how many cannons could be on a ship in port), getting advice from many private sector companies, and reengineering core business processes. For more information, contact John Eichleberger at (202) 927-0388. ✪



A New Approach to Federalism

Oregon Pioneers a New Federal–State Relationship

The State of Oregon proposed to turn the federal–state relationship upside down, and the federal government said okay.

On December 5, 1994, Vice President Gore, then Oregon Governor Barbara Roberts, and County Commissioner Bev Stein signed a memorandum of understanding to carry out the Oregon Option. Under this plan, federal, state, and local governments will work together to test service delivery based on the results that Oregon plans to achieve. The agreement is the first of its kind.

Results–Driven Government

The memorandum reflects a “bottom–up way of delivering services, not top down,” said Connie Revell, Director of Communications and Planning for the Oregon Health Division. “It stresses outcomes, not processes, and trust in the states and localities, not bureaucratic regulations,” she continued. “It will truly change the way we do business. The approach is based on reaching benchmarks, or standards. Each benchmark is a vision that all levels of government can share in achieving, for example, higher reading levels for our children.”

In Oregon, benchmarks help drive state and local funding and service delivery. The State has been experimenting with results–driven government based on benchmarks for six years, with the blessing of the state legislature. Many non-

Vice President Gore and then Oregon Governor Barbara Roberts shake hands on their new federal–state understanding.



profit organizations, businesses, and civic groups align their activities with the benchmark process, along with state, county and local jurisdictions. Further, this approach to service delivery has bipartisan support at all levels. Oregon’s benchmark process is being cloned by other States.

Federal-State Partnerships Welcomed

So far, according to Revell, the memo of understanding has brought Oregon a series of waivers from red tape and the loan of federal experts to help the State. "We also expect the federal-state partnerships proposed in the President's 1996 budget to be a great boost in leapfrogging over bureaucratic barriers that traditionally come with federal funds," she said.

The December 5th signing linked Oregon and the nation's capital by teleconference. The Vice President and his guests were in Washington, DC; Portland Mayor Vera Katz chaired a ceremony in Portland, attended by a group of mayors and county officials.

Barrier Lifted for Harley

Vice President Gore also used the occasion to illustrate a bureaucratic barrier to state and local governments. He presented a dispensation in absentia to Portland's sharp-nosed, drug-sniffing pig named Harley. The Vice President designated Harley an honorary dog. Federal regulators allowed federal funds to pay only for drug-sniffing *dogs*, though Harley works better and costs less.

For more information, call Connie Revell at (503) 731-4000. 🇺🇸



Portland's sharp-nosed, drug-sniffing pig, Harley.

Photo courtesy of Pat "Oh Baby" Pollak

Technology Speeds Time and Attendance Process at SEC

The Securities and Exchange Commission is a small agency, but it's reaping big savings with technological improvements, according to Assistant Comptroller Henry Hoffman.

The individual time and attendance card is a thing of the past for SEC's 2,600 employees across the country. "In January we introduced a new electronic system," Hoffman said. "Paper handling and duplicate data entry are virtually eliminated. We report time and attendance by exception, and calculations are done automatically."

Continued on page 10

EPA's 33/50 Program Sought Industry's Cooperation in Clean-Up—and Got It

The Environmental Protection Agency's 33/50 Program is reducing environmental pollution through the voluntary participation of more than 1,400 U.S. manufacturers.

The program gets its name from the goals set when the program was begun in 1991. EPA sought a 33 percent reduction in 1992 and a 50 percent reduction this year of manufacturing companies' releases and off-site transfers of chloroform, lead, mercury, nickel and 13 other high priority chemicals and compounds from a 1988 Toxic Releases Inventory. EPA chose these chemicals because they are high-volume industrial chemicals that pose environmental and health concerns.

Just Write Us, EPA Said

Although the only "requirement" from each company is a letter of commitment to whatever goals the company sets, the program is expected to exceed its national goals. That means eliminating about 750 million pounds of pollution since 1988. The participation of the "Top 600" firms exceeds 60 percent. EPA presents certificates to those companies that meet or exceed their goals. McDonnell Douglas, for example, received a Certificate of Environmental Achievement in May 1994 for reducing more than one million pounds in total annual releases of targeted chemicals.

Continued on page 11

Reinventing Government's Second Phase Is Underway

The President launched the second phase of the National Performance Review from the White House on December 19 to back up his proposal for a Middle Class Bill of Rights.

Led by Vice President Gore, REGO II features four concurrent efforts:

- agency restructuring,
- realigning the relationship of the federal government with its state and local partners,
- regulatory reform, and
- continued implementation of NPR Phase I.

First "How?," Now "What?"

The driving question for the first phase was "how can government work better and cost less?" The overall purpose of REGO II is to answer the question, "what should the federal government be doing?"

"This review will examine the basic missions of government, looking at every single government program and agency to find and eliminate things that don't need to be done by the federal government," Vice President Gore wrote in a January 3rd memo to the heads of executive departments and agencies.

Agencies Will Lead the Restructuring

The departments and agencies will take the lead in the restructuring effort, working with NPR, the Office of Management and Budget, and White House policy councils. The Vice President asked agencies to form their own teams to conduct the review. This effort is on a fast track and was substantially completed in late March. Agency teams considered these questions:

1. If your agency were eliminated, who would pursue its goals—other agencies, states and localities, the private sector, or no one?
2. If we must retain a federal role to accomplish certain goals of national importance, how can we reach them in a way that improves customer service and minimizes costs to the taxpayer?
3. What do you think your customers—not just interest groups—think about the possible eliminations or changes?


Intergovernmental Partnership Is a New Approach to Federalism

As much authority and funding as possible will pass to the states, localities, and individuals for the operation of programs. These partners will be held accountable for good customer service and quality results. In cases where a federal role remains, the federal government will be a partner who "steers, not rows." (See "Oregon Pioneers a New Federal-State Relationship" on page 4.) The federal government will then be left to focus on areas of vital concern to the nation as a whole. The new approach to federalism overlaps the agency restructuring effort. Agencies are taking the lead, with assistance from advisory and technical teams drawn from all sectors.

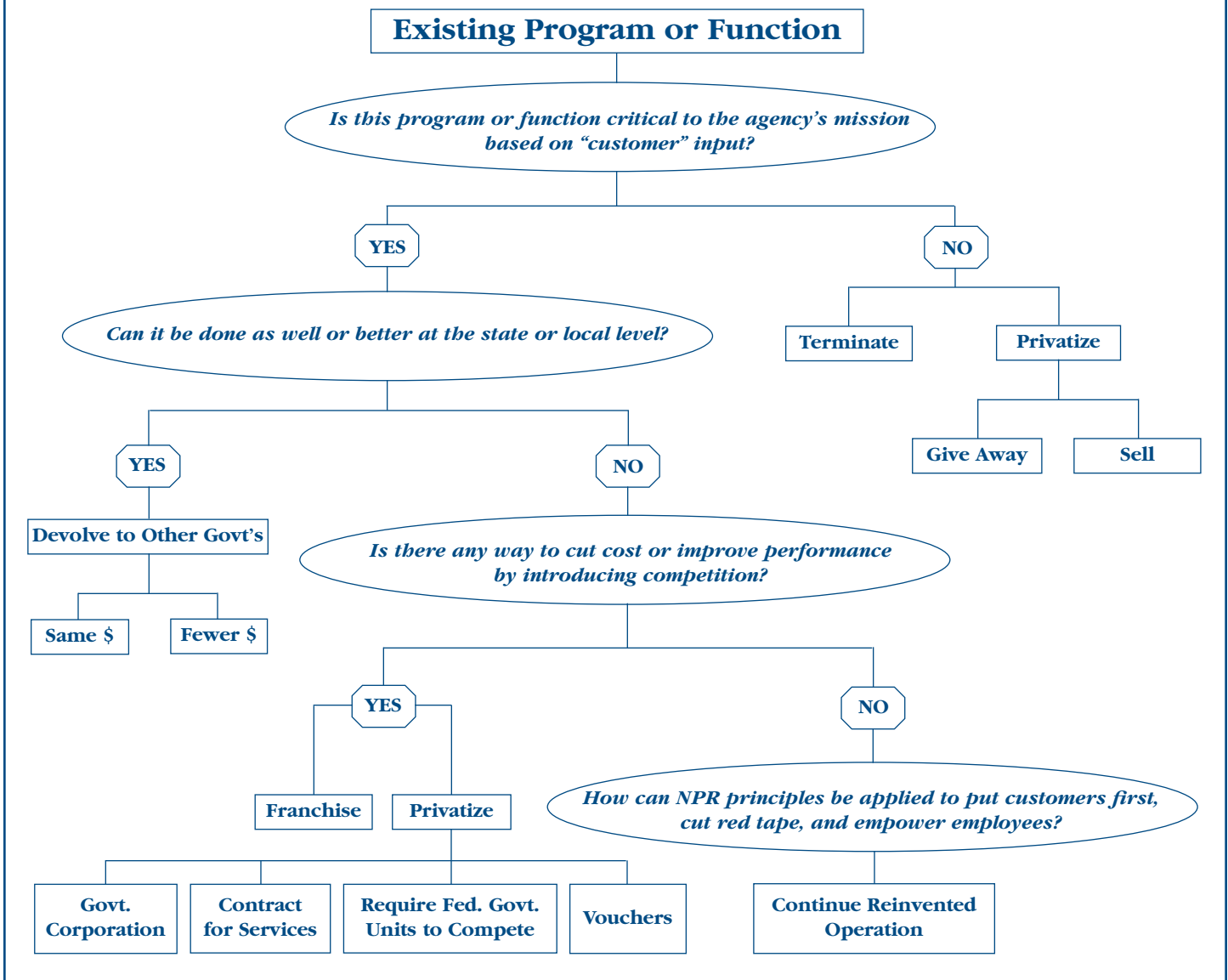
Regulators Must Change the Regulatory Culture

President Clinton mandated a massive regulatory reform in a special briefing for the heads of regulatory agencies and the Cabinet on February 21. See stories on pages 1, 2, 3, and 5.

Phase I Continues

Agencies will continue to build on the successes of REGO, Phase I. The work includes measuring progress in achieving the goals of the Customer Service Standards, implementing the new procurement legislation, and continuing electronic communications with federal employees through Net Results. 

Sample Decision Tree for Analyzing Agency Programs



Agency Restructuring Example

Housing and Urban Development Proposes Bold Plan to Get Its Own House In Order

Since it was created in 1965, the Department of Housing and Urban Development has struggled to reconcile and integrate the many missions under its own roof.

Now, under the leadership of Secretary Henry Cisneros, HUD has proposed a major—and dramatic—restructuring. Building on the reinvention effort that began in 1993, the HUD proposal will transform a top-down, process-driven bureaucracy into a partnership-based organization that works for people and communities.

The major strategies would:

- End public housing as we know it by deregulating the nation's housing authorities, offering tenants housing "vouchers," and opening up competition with the private sector.
- Consolidate HUD's 60 programs into three flexible, performance-based block grants administered by local communities.
- Create an entrepreneurial, government-owned Federal Housing Administration corporation that increases home ownership and affordable housing opportunities. 🏠

REINVENTION RESOURCES

Benchmark Study Is Available

Ten federal agencies and eight private companies worked together to identify practices that can be applied in government to raise the level of telephone service in the federal government to the best in business.

Why telephone service? Because Americans talk to their government in great numbers, the report says. On a single day in January, Social Security received 1.7 million calls. Last year, IRS received 68.7 million calls. Ditto large numbers for Veterans Affairs and Immigration and Naturalization Service.

To get a copy of the report, *Serving the American Public: Best Practices in Telephone Service*, call NPR at (202) 632-0150. To get a copy by Internet or email, write almanac@esusda.gov with the message *send npr benchmark report*.



NPR Status Report Is on CD-ROM

The National Performance Review's 1994 Status Report is available on CD-ROM. The interactive, multi-media format includes the full text of the report, a graphical user interface, audio clips, and full-motion video. It also includes a number of NPR reference materials such as reports, executive orders, performance agreements, and much more. The CD-ROM costs \$16.95, plus shipping and handling. To purchase, call (703) 487-4650 for first class mail and (800) 553-NTIS for overnight courier. Fax orders to (703) 321-8547. Hearing impaired purchasers may call (703) 487-4639.

NPR and Partners to Sponsor a Franchising Conference

A Franchising Conference will be held at the George Mason University Law Center, 3401 North Fairfax Drive, Arlington, VA, on June 12-13, and repeated on June 14-15. The program will feature a "how to" approach. The cost is \$100 per person.

Sponsors are the National Performance Review, the Cooperative Administrative Support Unit, the Chief Financial Officer's Council, the American Society for Public Administration, and George Mason University. For more information, contact Cindy Rheaume at NPR, (202) 632-0150. She also has a Privatization Resource Guide available for distribution. FAX a request to her at (202) 632-0390.



Federal Times Columnist Likes NPR Video. You Will Too

Federal Times careers columnist Anne Laurent reviewed reinventing government videotapes in her January 23rd column. She liked NPR's video, "Reinventing Government, For the People," best.

"If you're like me," she wrote, "you will be impressed with the good will and energy of the many unsung civil servants who star in these shows." The video tells the story of federal workers in several agencies who are transforming government.

"Show this video," she continues, "if for no other reason than to inspire the troops during these uncertain, unhappy times."

The video costs \$17. You may order it from the Office of Personnel Management at (800) 790-7585.

NPR Documents Are on Internet

A wide variety of reinventing government reports, speeches, newsletters, and other documents are available using Internet tools:

- World Wide Web: <http://npr.gov>
- Gopher: <ace.esuda.gov>
- Select submenu Americans Communicating Electronically (ACE), then select National Performance Review (NPR)
- email: Several email catalogs can be automatically mailed to you. To receive the first flyer on how to receive these documents, send mail to almanac@ace.esuda.gov. Send this message: *send npr catalog* (no subject line is required). ✉



Streamlining Procurement with Technology

"Dog Tags" for Uniforms Help Outfit Marine Recruits

Buying the Old Way: The Marine Corps Recruit Depot at Parris Island, SC., completed stacks of paperwork to order the 2 million uniform items it annually provides to 20,000 new Marine recruits.

Buying the New Way: Now, the center electronically notifies American Apparel of Selma, AL, how many and what size uniforms are needed. American is on the cutting edge as one of a few hundred select contractors that now sell their goods to the Defense Logistics Agency via computer. The company attaches tickets or "dog tags" with electronic bar codes to the uniforms they make and sends them directly to the recruit center. The bar code identifies the item, color, and size. When the uniform is issued, the bar code is scanned into a computer system that keeps track of the transactions. The data is sent electronically to DLA, which forwards the information to American.

Continued on page 12

10 Minutes X 2,600 People X 26 Pay Periods = A LOT

Each timekeeper will save 10 minutes in processing time per employee each pay period. With 159 timekeepers, the savings add up. He estimates that the new system will save the agency at least \$157,000 per year. "These savings obviously represent staff time on administrative duties that is now freed up to work on SEC's program activities. We expect even more savings because we are reducing review time by managers and the central payroll office," Hoffman said.

Off-the-Shelf Software Saves Money on Travel Processing

In addition, the Enforcement Division, which accounts for almost a third of SEC's travel vouchers, is using Travel Manager Plus, an off-the-shelf software package, to process travel authorizations and vouchers. "We expect to save \$100,000 annually once we institute the system agency-wide," Hoffman said.

SEC is also reaping savings with other improvements, such as having travelers use the ATM American Express Government credit card for travel advances. For more information, call Henry Hoffman at (202) 942-0343. ✪



Here's Vice President Gore's credit card from last year. If just half of all purchases under \$2,500 are made with credit cards, the government will save approximately \$300 million per year.

Need to Make a Small Purchase? Use Your Office's Credit Card

If you need supplies and services that cost less than \$2,500, your program office can now designate a VISA cardholder with the authority to buy what you need. You don't have to go through the procurement office. You can buy on the spot by phone or in person. You can also buy from vendors on GSA's Federal supply schedule, provided the vendor agrees to accept the card. Your responsibility is to make sure that your purchases are fair and reasonable.

The credit card provision for purchases under \$2,500 is part of the Federal Acquisition Streamlining Act of 1994 that President Clinton signed into law on October 13.

A Little Card Makes a Big Difference

About 70 percent of government purchases are under \$2,500, but they represent only 2 percent of the procurement dollars. Paperwork and process time created disproportionate administrative costs. Before the new law, small purchases cost the government between \$30 and \$200 per transaction, depending on what was bought. Using a credit card is expected to save an average of \$50 per transaction. If just half of all purchases under \$2,500 are made with credit cards, savings will be approximately \$300 million per year.

For more information, contact Doris Marsh, GSA contracting officer, (703) 305-7564. ✪

Regulatory Reform Is Part of the National Performance Review's Second Phase

Vice President Gore, who has been working on regulatory reform as part of the National Performance Review to make government work better and cost less, said, "We have learned that we can cut back on the number of regulations. And if we translate them into plain English, we'll need fewer words."

Generally, regulatory agencies have been getting what they measure, the Vice President said. "In most cases, they have been measuring process and punishment." To start reform, agencies have to rethink the entire regulatory system, he said.

The President stressed that a new approach to regulation is needed, one where the federal government carefully compares the costs and benefits of regulations and works to create partnerships with the private sector. ✪

Payoffs Have Begun

Here are some of the initial accomplishments. OCC has:

- Proposed to eliminate the permit that banks must get if they share ATMs. In the future, instead of a cumbersome application process and mountains of paperwork, banks will just notify OCC after the fact.
- Cut the examination materials for a community bank from more than 1,200 pages to just 30.
- Streamlined and simplified the inefficient, costly, and redundant requirements on the legal lending limit for national banks.
- Dropped the requirement to force a default or foreclosure that serves neither the interest of the borrower nor the interest of the bank.
- Changed regulations legalese to plain English and dropped all cross-references to different statutes to make the rules easy to read and understand.

OCC has produced a 10-minute video on its reg reforms. To get a copy, call NPR at (202) 632-0150.

For more information, contact Lee Cross at (202) 874-4970. ✪

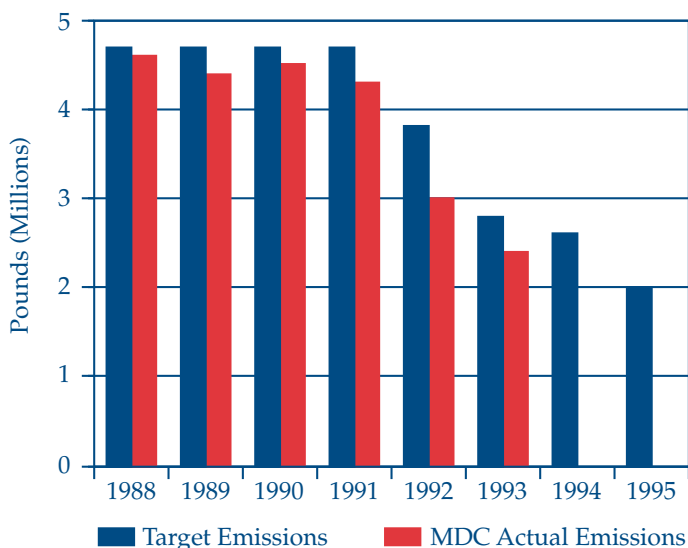
The 33/50 program represents a paradigm shift from confrontation to collaboration and a redirection of EPA funds from environmental lawsuits to environmental cleanups. It was the model for other voluntary programs that are now underway.

Voluntary Spirit Is Infectious

Many industry spokespersons have called the program a success. Mobil applauded the program in a *New York Times* ad on June 9, 1994. "Voluntary efforts work, and the spirit of these initiatives is infectious," the ad read. "Experience has taught us that voluntary efforts rather than the command-and-control regulatory process are often the best way to continuously improve environmental performance."

For more information contact Chris C. Tirpak, (202) 260-7538. ✪

MDC Industrial Toxics Program
Major U.S. Manufacturing Operations



McDonnell Douglas is voluntarily participating in EPA's Industrial Toxics Program to reduce by 50 percent, the total releases of 17 target chemicals by the end of 1995. Aqueous degreasing is one example of efforts undertaken to fulfill McDonnell Douglas's commitment to the EPA and to meeting its strategic plan objectives.



A Marine scans the bar code on an electronic "dog tag" attached to a battle dress uniform about to be issued. Data is stored in a computer system that tracks the transactions.

Streamlining, continued from page 9

American Apparel president Rick Cippelle says the daily point-of-sale information lets his company provide 72-hour turnaround.

Electronic Revolution in Buying

It's all part of the electronic revolution in buying. DLA, which annually buys more than \$8 billion of supplies for the military services and federal agencies, awards more than 50 percent of its contracts using electronic commerce/electronic data interchange (EC/EDI). The agency wants to hit 70 percent by the end of the fiscal year.

Both industry and government officials laud electronic procurement as efficient and effective. Shipments are faster. Orders don't require rekeying into a computer, saving time and errors. Customers receive supplies just-in-time, eliminating much of the need to warehouse goods. They report higher satisfaction with agency service.

Over the past two years, DLA has opened five business centers over the country that teach companies how to do business with the government electronically. The agency has also offered educational forums to more than 3,000 current and potential vendors.

The Marines, for one, are big on the program. According to Major Alex Walmsley, who directs Parris Island's clothing division, "EDI's a product that's so common sense, it's an easy sell."

For more information call Lt. Col. Joseph B. Michels at (703) 274-6031. 



National Performance Review
750-17th St., NW, Suite 200
Washington, DC 20006

REINVENTION ROUNDTABLE
April 1995 Vol. 2, No. 1

Route to:

