

White House (33-49)  
September-December 1982

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December 14, 1982

Ms. Virginia H. Knauer  
Special Assistant to the President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Dear Ms. Knauer:

As you recall, earlier this year you wrote to me about the proposal of Dr. Richard L. D. Morse, Professor and Head, Department of Family Economics, Kansas State University, recommending a universal standard for interest rate disclosure for savings accounts. I indicated that we would review his proposal and advise you of our conclusions. Our staff has reviewed Professor Morse's proposal and also has recently met with him to gain a better understanding of his proposal.

We believe that Professor Morse's proposal could provide important information to many people who either have, or are shopping for, the various savings instruments that are available today. His proposal would provide a means for translating interest rate quotations into a universal standard which consumers could use to assist them in making savings decisions.

The Morse proposal would call for voluntary use of a disclosure standard by institutions offering savings instruments. As a general matter, we endorse the idea of voluntary use of the standard rather than mandatory compliance. However, I must report that our experience with a similar voluntary disclosure under Truth in Lending suggests real resistance by business to adoption, on a voluntary basis, of interest rate calculations which vary from established practice. Let me describe our experience in a little detail.

In open end credit (for example, credit card revolving credit), there are many ways to compute finance charges. Some plans compute finance charges on the average daily balance, others deduct payments and credits before computing the finance charge balance, while others do not make these deductions. The result is that under the same pattern of transactions, consumers could pay varying amounts of finance charges depending upon the method used by creditors to determine the balance upon which the finance charge was assessed. However, in all these cases, assuming the periodic rate (for example, 1.5% per month) applied in the various plans was the same, the annual percentage rate disclosed for these plans with varying finance charges would be identical. Thus, consumers could not "shop" for the most favorable annual percentage rate. To deal with this problem, Congress

adopted, at the urging of some creditors, an additional optional disclosure of an index for credit costs on open end accounts which was based on a prescribed set of hypothetical transactions in an account. To the best of our knowledge, this optional disclosure was rarely used, even though many creditors could have made a disclosure favorable to their plan. Because of the lack of use of the index, the Board finally recommended that Congress delete the index from the law and Congress responded favorably to this suggestion in the Truth in Lending Simplification and Reform Act.

Of course, the question arises as to whether disclosures such as those Professor Morse proposes are of such value that they should be mandated by law or regulation. We are inclined against such an approach at this time. While the disclosure could help to clarify the interest rate aspects of savings instruments, it does not reflect the other terms and conditions that consumers should consider when shopping for accounts. Therefore, the standard disclosure may not significantly assist the consumer in ranking or choosing between a variety of alternative savings instruments. Further, a consumer might even be led to an incorrect decision if encouraged to focus on the standard disclosure rate without giving full attention to factors that may be equally important. For example, other important matters that consumers should consider are withdrawal restrictions and related penalties, grace periods for payments and withdrawals, and the relationship to other accounts with the same institution which may affect terms on the other accounts, such as free checking with a savings deposit.

While Professor Morse' disclosure appears relatively simple to calculate and use, implementing a mandatory requirement would not be equally simple. Issues such as where and when the disclosures should be made (e.g. in opening an account and in advertising) and how disclosures for variable rates and money market funds should be constructed, for example, would need to be addressed. Certainly there should be more evidence than has been presented so far that the benefits of the disclosure would be so great as to warrant the increased compliance burden. Finally, we are concerned about the imposition of an additional disclosure requirement given our current goals for the regulatory environment.

Having said all this, however, Professor Morse's proposal has considerable merits. I certainly commend Professor Morse for his work and interest in this area, but experience suggests that a voluntary disclosure would not be made by any large number of institutions, and the evidence is not clear that the disclosure is of such value that it justifies the additional regulatory burden of a mandatory scheme.

I appreciated the opportunity to comment to you on Professor Morse's idea. As we continue to monitor developments in this area, we will be pleased to share views with Professor Morse and other interested parties.

Sincerely,

JCK:GG:NS:gmm

12/13/82

WH-24

THE WHITE HOUSE

WASHINGTON

June 4, 1982

WH-24

JCK

BOARD OF GOVERNORS  
FEDERAL RESERVE SYSTEM  
1982 JUN -7 AM 8:52  
RECEIVED  
OFFICE OF THE CHAIRMAN

Dear Chairman Volcker:

Dr. Richard L. D. Morse, Professor and Head, Department of Family Economics, Kansas State University, and a nationally recognized spokesman on consumer credit matters, has proposed in a letter to me a Universal Standard for Interest Rate Disclosure. Enclosed is a copy of that letter and the proposal which I find to be a very fascinating concept.

Certainly, if there could be a single, relatively uncomplicated method to assist consumers universally to assess and compare interest rates, consumers would have a very valuable aid in evaluating their credit options in today's complicated marketplace. Such an approach meshes well with President Reagan's view that "an informed and educated consumer is vital to the longterm healthy growth of our economic system."

Would you please review this proposal and give me the benefit of your views as to its merits. I am also enclosing a critique form prepared by Dr. Morse which may be of assistance in your review.

Sincerely,

Virginia H. Knauer  
Special Assistant to the President

Mr. Paul Volcker  
Chairman  
Federal Reserve Board  
20th & Constitution Avenue, N.W.  
Washington, D.C. 20551

CH 325

Received CCA JUN 08 1982  
Log No. WH-20221  
Date Ack. \_\_\_\_\_  
Date Out \_\_\_\_\_



## Department of Family Economics

Justin Hall  
Manhattan, Kansas 66506  
913-532-5515

May 15, 1982

Virginia Knauer  
Special Assistant to the President  
on Consumer Affairs  
Executive Office Building  
Washington, DC

Dear Mrs. Knauer:

For many years I have been concerned that consumers do not have an adequate understanding of savings. Until very recently savings options were so limited that most consumers made savings decisions based more on habit and convenience than on factual knowledge of alternatives.

That picture has changed. Consumers now enjoy a wide assortment of savings opportunities. There is a considerable range of rates, maturities and liquidity options. One consequence of this breakthrough is that even sophisticated consumers are usually unable to understand and interpret correctly the myriad of terms being offered. Even for a traditional passbook account there are over 12,000 different ways to figure interest at any given advertised interest rate. With the advent of creative financing, the varieties of systems defy simple interpretation for consumers.

We must encourage consumers to save. Yet their self-confidence may be shaken by insecurity. This is particularly true of our elderly population who dare not risk their savings in something they do not understand. They cannot be enthusiastic about savings if they are apprehensive and concerned whether their savings decisions are being made on merely a "best guess" basis.

I am concerned about the consequences of consumers feeling insecure about their savings decisions. I think something needs to be done and can be done to give them a feeling of confidence that they have a good grasp on the facts.

Let me outline three approaches that have been suggested:

The first proposal is of the nature of a "quick fix". The "quick fix" would be to standardize the way interest is figured on all savings. For example, continuous compounding might be required. Yet, even though a mandatory standard might eventually reduce or eliminate confusion, it would create tremendous adjustment problems over an extended transition period. Also, it is debatable whether any single method of figuring interest is feasible or desirable.

Virginia Knauer  
May 15, 1982  
Page 2

A second alternative is Truth in Savings which would require full disclosure of the various methods and terms in carefully defined terminology. You will recall that in 1973 William E. Simon, then Deputy Secretary of the Treasury, and you urged the adoption of such legislation. Truth in Savings was Title I of the administration's bill on financial reform, introduced by Senators Tower and Sparkman in the 90th Congress. That bill would require savings institutions to use the same defined terminology, but not restrict the variety of ways savings programs are offered. A more serious problem is that it would require legislative enactment, and the prevailing mood of the Congress and this Administration is not to seek legislative initiatives.

A third alternative is to establish a Universal Standard for Interest Rate Disclosure. This would not replace present methods, but provide a means for translating interest into a standard format. It would permit direct comparisons of interest rates internationally as well as between different types of financial instruments. It would do this without disturbing prevailing methods of figuring interest and trade practices of private industries or governments. Like all standards, it would be well defined and recognized universally. Its use would be optional and not required, but if used, it would be required to adhere to established standards. It has been proposed as a Universal Standard for Interest Rate Disclosure and submitted to the International Standards Organization for consideration.

Of the three approaches, I believe the universal standard has merit and offers viable movement in the right direction. It will move, however, only as rapidly as it gains acceptance by the financial community. Acceptance, in turn, depends on its merit as judged by your expert advisors.

My reason for writing you is to solicit your thoughts and ideas as to the strengths and weaknesses of the enclosed proposed standard. Succinctly, the standard proposes that interest be expressed as an equivalent of that daily rate which, compounded daily on daily balances, would cause the beginning principal amount to result in a specified closing principal amount over a specified period of days.

For example, a 182-day Treasury bill purchased at \$9,521.90 to mature in 182 days at \$10,000 would be quoted as having a bank discount rate of 9.45%, or an "investment yield" of 10.10%, for leap year or 10.07% for one year, neither of which may be directly comparable with the rate quoted for a savings certificate. And the yield on the CD can vary depending on whether the nominal rate has a 360 or 365-day base. The proposed standard would report that an investment which grows from \$9,521.58 to \$10,000 in 182 days would be the equivalent of one which if compounded daily at a daily rate of 2.6921¢ per \$100 would have an annualized equivalent APR of 9.826% and Annual Percentage Yield of 10.324%.

I find the proposal attractive because (1) I believe the cents per \$100 per day can be understood and used confidently by all literate consumers,

*very  
assumption  
read  
consumer  
situation*

Virginia Knauer  
May 15, 1982  
Page 3

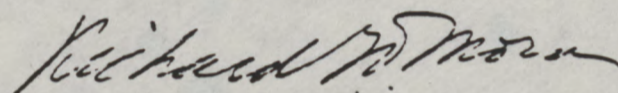
and (2) I believe every bank, credit union, savings and loan teller can run through the calculations in less than a minute using a \$35 hand calculator. I am excited about what this can do for consumer education and advance our understanding of interest rates.

In closing, a word of caution: You will notice under "Unfinished Business" recognition of its limited applicability and that adjustments for more complicated financial situations will need to be developed.

Meanwhile, I look forward to your response and learning whether you consider the proposal worthy of future consideration.

Thank you.

Sincerely yours,



Richard L. D. Morse  
Professor and Head

RLDM/mw



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## Citation Information

**Document Type:** Summary statement

**Number of Pages Removed:** 4

**Citations:** Morse, Richard L.D. "Summary Statement: Universal Standard for Interest Rate Disclosure." May 15, 1982.

CRITIQUE OF PROPOSED UNIVERSAL STANDARD FOR INTEREST RATE DISCLOSURES

1. Is the proposal technically (mathematically) sound for situations involving a known beginning amount, known ending amount and known number of days intervening with no activity?

Yes \_\_\_\_\_ No \_\_\_\_\_ Comment:

2. The word "annual" in APR refers to a 365-day year thereby removing ambiguity arising out of leap year and of other numbers of days such as 360, 362, and 368. The actual number of days in the calendar year would not change; there will continue to be one extra day in leap year. However, APR will always convey a rate for a 365-day time period. Does the definition of the word "annual" present any major problems beyond those of making the transition to the standard?

Yes \_\_\_\_\_ No \_\_\_\_\_ If so, what are the problems?

3. Other than under the Truth in Lending Act, the annual rate is not precisely defined. The proposal uses a precise definition of APR as the Periodic Percentage Rate times the number of periods in a (365-day) year. The APR is often and correctly referred to as the "nominal" rate since it is a derived rate, obtained by annualizing the working periodic rate. Does the concepts of APR present a conceptual problem?

Yes \_\_\_\_\_ No \_\_\_\_\_ If so, what other one concept would be preferable?

4. The concept of Annual Percentage Yield likewise refers to a 365-day time period and expresses as a percentage the hypothetical yield. Do you find the definitions of APR and APY to be sufficiently tight that they can be adhered to and not be misused?

Yes \_\_\_\_\_ No \_\_\_\_\_ Suggestions for substitute terminology.

5. Are there other terms you would prefer to substitute for APR and APY expressing the same concepts?

Yes \_\_\_\_\_ No \_\_\_\_\_ Suggestions for substitute terminology.

6. Since it is not customary to quote the rate paid each compounding period, but to give only the nominal rate, it would not be surprising for you to question why the daily rate quotation is necessary. I would expect you to consider its use an unnecessary burden and source of confusion. The arguments for quoting the daily rate are two: (1) It is the rate actually being paid each day; it is not a "nominal" or "hypothetical" rate. (2) It can be stated in a way that is meaningful to consumers; they can identify with the cents, 100 dollar units, and a day, as in "cents per \$100 per day." Would you agree with this position?

Yes \_\_\_\_\_ No \_\_\_\_\_ If no, how would you suggest having the rate paid daily quoted?

7. In summary, do you feel the proposal merits further consideration?

Yes \_\_\_\_\_ No \_\_\_\_\_ Comment:

8. Would you or your staff be interested in participating in a conference to further explore this and other ideas for bringing greater clarity to consumer savings rate quotations.

Yes \_\_\_\_\_ No \_\_\_\_\_ Comments:

9. To whom in your organization would you prefer the further correspondence on this matter be directed?

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Please return to: Virginia Knauer  
Special Assistant to the President  
on Consumer Affairs  
Executive Office Building  
Washington, DC

1982 FEB 16 AM 9:39

RECEIVED  
OFFICE OF THE CHAIRMAN

THE WHITE HOUSE

WASHINGTON

February 8, 1982

MEMORANDUM FOR: HEADS OF ALL AGENCIES AND DEPARTMENTS  
Attn: Executive Secretariats

FROM: ANNE HIGGINS *Anne Higgins*  
Special Assistant to the President and  
Director of Correspondence

SUBJECT: White House Mail Referrals

Thank you for your cooperation and assistance in processing the large volume of White House mail that is referred to the agencies and departments for reply. The following is a reminder of the procedures necessary for expeditious handling of all White House Correspondence.

The 9 WORKING DAY TURNAROUND TIME for responding to White House mail must be strictly followed. Requests for DRAFT responses are top priority. If for some reason (further research, awaiting policy decision, etc.) a RESPONSE will not be returned to the White House within the 9 day period, please advise White House Agency Liaison and send an interim response.

The computer list of OVERDUE ITEMS which is sent to your agency bi-monthly should be taken care of immediately. These items are over 2 weeks late.

It is important to return the ORIGINAL correspondence (writer's incoming letter to the White House, tracking sheet, and agency response) not XEROX copies. White House staff can not be sure if action has been completed if xeroxes are sent in lieu of the originals.

Incorrect referrals: Bulk mail incorrectly referred to your agency should be sent directly to the correct agency.

White House Tracked Correspondence that cannot be appropriately taken care of by your agency must be returned to the White House before it can be rerouted to the correct agency.

During the past year, many departments and agencies have had many staff changes. Please fill out the attached card and return it to Sally Kelley, Director of Agency Liaison, Room 62, Old Executive Office Building, Washington D.C. 20500 by February 28, 1982. Phone 456-7486.

DEPARTMENT/AGENCY NAME: \_\_\_\_\_

TITLE OR RESPONSIBILITY  
OF AGENCY CONTACT:

NAME

TELEPHONE NO.

Executive Secretariat:

\_\_\_\_\_

\_\_\_\_\_

Alternate Contact:

\_\_\_\_\_

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White House

Special Referrals:

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Alternate Contact:

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Alternate Contact:

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MAILING ADDRESS:

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BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

PAUL A. VOLCKER  
CHAIRMAN

September 10, 1982

TO ALL MEMBERS OF THE BOARD'S STAFF

The Board once again joins in the observance of National Hispanic Heritage Week, September 12-18. It is a time to recognize the contributions that derive from our nation's Hispanic origins and that add to the rich diversity of our American heritage. As a nation, we celebrate the shared traditions, the sense of common purpose, the mutual efforts toward respect and understanding -- both with neighboring countries and within our own borders.

In token of this celebration, the Board has arranged for a return visit by the TRIO NUEVO HORIZONTE. The TRIO will present a program of music of Latin America on Wednesday, September 15, from 12:30 to 1:30 p.m. in Dining Room "F" of the Martin Building. You are invited to take part -- come and enjoy.

*Paul A. Volcker*

December 28, 1982

Mr. Leo Cherne, Vice Chairman  
President's Foreign Intelligence Advisory Board  
The White House  
Washington, D.C.

Dear Mr. Cherne:

In response to your letter of December 15, I appreciate the opportunity to participate in your review of the intelligence implications of the international finance and banking problems.

I draw on a wide range of information sources concerning international banking and finance problems facing the world economy. I maintain ongoing contacts with my counterparts in the major industrial countries and I meet periodically with leaders of major foreign governments, heads of international financial organizations, and with a spectrum of the banking and financial community where the international debt problem lately has been a focus of discussion. As you know, there also is a well-established network of communication within the U.S. government, where information on the international financial situation is shared among senior officials, particularly with those from the Treasury and State Departments. In addition, I benefit from selective information from the intelligence community that is brought to my attention in the form of periodic personal briefings, special memoranda, or through the Federal Reserve staff. Finally, the staff of the Federal Reserve maintains close working relationships with the staffs of other U.S. government departments and agencies, with foreign government officials, and with officials from the International Monetary Fund and the Bank for International Settlements. I rely on the Federal Reserve staff's monitoring of latest developments and on their analysis to keep me informed about the international financial banking situation.

On the whole, therefore, I feel that I am adequately informed about the international debt issue. There is one area where additional intelligence would be useful for the policymaker concerned with this important subject. We all would benefit to have more complete, prompt, and authoritative knowledge of strategies concerning the management of debt problems that are being contemplated or adopted by officials of the major debtor countries.

Please let me know if I could be of further assistance.

Sincerely,

CJS:rj  
WH - 49

cc: Mrs. Mallardi (2) ✓  
Messrs. Truman & Siegman

THE WHITE HOUSE  
WASHINGTON

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1982 DEC 20 AM 10:15

PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD RECEIVED  
OFFICE OF THE CHAIRMAN

December 15, 1982

WH-49

Dear Mr. Volcker:

As you know, for the past several months, PFIAB has been studying the intelligence implications of the nascent international banking and finance problem. In the course of the investigation, we have discussed many aspects of the problem with you and other government officials and agencies involved in the issue. The information gained from those many interactions has been most helpful in clarifying and explaining the details of what is a very complicated problem.

As can be expected, each meeting has yielded new information as well as new questions. One key area of concern which has become more clearly focused is what are the information needs of the key government agencies involved in this area.

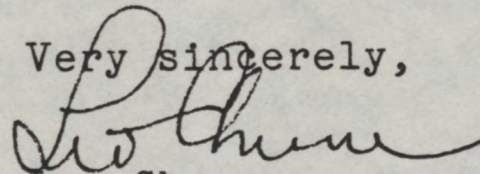
In order to receive a complete response to that concern, we are writing you and posing the following questions:

In order to fulfill your responsibilities on the international financial problem issue,

1. How much of your Agency's information and intelligence requirements are presently being provided to you by Agencies or capabilities outside your own organization?
2. Which of your requirements could be more effectively or completely met if additional information were available to you, and what is the nature of that additional information or intelligence?

Thank you for your cooperation and support. An answer by January 5, 1983 would be appreciated.

Very sincerely,

  
Leo Cherne  
Vice Chairman

The Honorable Paul A. Volcker  
Chairman  
Federal Reserve Board  
20th Street & Constitution Ave., N.W.  
Washington, D. C. 20551

Copy to: Mr. Charles Siegman





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

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1982 DEC 17 PM 2:14

RECEIVED  
OFFICE OF THE CHAIRMAN

M-83-5

DEC 17 1982

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Joseph R. Wright, Jr.

SUBJECT: Agency Operations in the Absence of Appropriations

*[Handwritten signature]* WH-48

1. Public Law 97-276, the Continuing Resolution enacted by Congress on October 2, 1982 to provide for appropriations for Executive and judicial accounts, will expire at midnight Friday, December 17, 1982. The only appropriations bill for Fiscal Year 1983 which has been presented to and signed by the President is the Housing and Urban Development-Independent Agencies Appropriations Act. The House of Representatives has passed a Second Continuing Resolution which contains provisions unacceptable to the President. Although an acceptable Resolution may be enacted by the Congress, substantial differences could remain, and the President could be forced to exercise his veto authority. Accordingly, there is a possibility that no other appropriations will be enacted as of December 18.

2. OMB Bulletin 80-14, dated August 28, 1980, as amended by a memorandum from the Director of the Office of Management and Budget dated November 17, 1981, requires all agencies to maintain contingency plans to deal with the eventuality of an appropriations hiatus. Additionally, the opinion of the Attorney General dated January 16, 1981 remains in effect.

3. Examples of excepted activities were developed on past occasions when the Executive Branch faced the possibility of an appropriations hiatus. Present instructions are:

Beginning December 18, 1982, agencies may continue activities otherwise authorized by law; those that protect life and property; and those necessary to begin phasedown of other activities. Primary examples of activities agencies may continue are those which may be found under applicable statutes to:

a. Provide for the national security, including the conduct of foreign relations essential to the national security or the safety of life and property.

b. Provide for the performance of activities under no-year or multi-year appropriations or other funds remaining available for agency purposes.

*[Handwritten signature in red ink]*

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
1982 DEC 13 AM 9:30  
RECEIVED  
OFFICE OF THE CHAIRMAN

THE WHITE HOUSE  
WASHINGTON  
December 9, 1982

WH-47

MEMORANDUM FOR HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: OCCUPATIONAL SAFETY AND HEALTH PROGRAM  
FOR THE FEDERAL SECTOR

I am announcing today, through the issuance of the enclosed policy statement, a major effort directed towards the reduction of illnesses and injuries among Federal workers.

The human suffering which results from work-related injuries and illnesses in the Federal sector must be addressed effectively. Today, I am asking that each head of an agency or a Department review existing safety and health programs and, with the help and advice of the Department of Labor's Occupational Safety and Health Administration, take every step possible to reduce the number of occupational injuries and illnesses occurring in the Federal sector. The Federal government remains the Nation's largest single employer and has represented in its workplaces all of the hazards found in private industry. Through effective administration, the Federal workplace can serve as a model for the private sector. That is what I am asking you to accomplish.

Besides our overriding goal of providing a safer and healthier workplace for Federal employees, this effort should result in significant cost savings. Reducing these financial and human losses depends on your commitment and the commitment of your senior staff, managers, supervisors and employees. I expect you to work together -- calling upon the Department of Labor for assistance -- to develop improved occupational safety and health programs for your employees.

I urge you to study your operations thoroughly to find more and better ways by which you can reduce the injuries, illnesses, and associated costs in your jurisdictions.

Ronald Reagan  
Anderson  
m/r

a. All employees performing non-expected activities defined by this memorandum and by the Attorney General's opinion of January 16, 1981, are permitted to perform no services other than those involved in the orderly suspension of agency operations.

b. With regard to non-expected agency activities and agency personnel performing them, particular attention should be paid to the fact that the Antideficiency Act does not permit agency acceptance of voluntary non-expected services.

5. In accordance with agency shutdown plans on file with OMB, most non-expected employees will be furloughed on or about noon of the first working day of an appropriations hiatus. On Monday, December 20, however, it may appear with reasonable certainty that a Continuing Resolution will be enacted on that date. In that event, the agency's plan should go into effect in all respects, except that non-expected employees should be allowed to remain in their offices while performing shutdown activities pending enactment of the Continuing Resolution. Notice will be given by OMB to appropriate agency officials as to whether furloughs should be effected on Monday pursuant to existing plans.

6. In the event that no Continuing Resolution has been enacted as of Tuesday morning, December 21, non-expected employees who have completed shutdown activities should not report for work. In the event that no Continuing Resolution has been signed by c.o.b. Monday, non-expected employees will be required to rely on the media to determine whether the President has signed a Continuing Resolution prior to Tuesday morning.

7. I appreciate the difficulties posed by the shifting and uncertain circumstances of current events. OMB, acting through its budget examiners, Counsel's office and my office will make every effort to communicate changing developments and provide policy guidance.

8. Within the guidance established by the Attorney General's opinion of January 16, 1981, and this memorandum, agency heads are to make such determinations as are necessary to operate their agencies during an appropriations hiatus, and to do so pursuant to normal agency processes for the resolution of issues of law and policy. Questions that cannot be determined by an agency should be addressed to OMB. All unresolved questions relative to the construction of the Antideficiency Act will be jointly referred to the Office of Legal Counsel of the Department of Justice.

THE WHITE HOUSE

WASHINGTON

December 9, 1982

STATEMENT BY THE PRESIDENT

I am today announcing a program which will improve our efforts to reduce work-related injuries and illnesses in the Federal workforce. In this Administration, great strides have been made by the Department of Labor's Occupational Safety and Health Administration in attempting to provide a safer and healthier workplace in the private sector. We must make equal improvements in our programs for the Federal worker.

In keeping with my dedication to improve the efficiency of government, I am committed to both a reduction in injuries and illnesses and a reduction in accompanying costs. Today, I am making it the responsibility of all Federal managers, supervisors and employees to take an active part in this program to improve the record of the Federal government in the area of occupational safety and health.

In so doing, I have directed the Secretary of Labor, in consultation with the Federal Advisory Council on Occupational Safety and Health, to develop additional strategies to stimulate joint problem-solving activities throughout the government. I am also authorizing a system of Presidential awards to be presented annually to those agencies showing the greatest commitment and results in improving the safety and health conditions for their workers.

The Federal government's most valuable resource is its dedicated and highly skilled workforce. Today, we embark on a program for Federal employees that will bring down injury and illness rates and thereby reduce human suffering.

*Ronald Reagan*



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

NOV 5 1982

WH-46

MEMORANDUM FOR THE PRESIDENT

FROM: David A. Stockman

SUBJECT: Progress Report on Implementation of Executive Order 12352  
on Federal Procurement Reforms

Executive Order 12352 on "Federal Procurement Reforms" was signed on March 17, 1982. It requires the heads of executive agencies and the Office of Management and Budget (OMB) to make fundamental reforms in Federal procurement to ensure effective and efficient spending of public funds. It specifically requires that the heads of agencies initiate a series of procurement reforms and that the Office of Management and Budget's Office of Federal Procurement Policy work with the agencies to 1) provide broad policy guidance and overall leadership and 2) report progress to the President. The Director of the Office of Personnel Management is directed to ensure that personnel policies and standards are conducive to agencies' needs for a professional procurement work force.

Our second quarterly progress report is attached. It describes the significant actions that have been taken since August 6 to implement E.O. 12352, as well as some of the major challenges facing the agencies in the next few months.

Attachment

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BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

**PROGRESS REPORT  
FOR THE PRESIDENT  
ON  
IMPLEMENTATION  
OF  
EXECUTIVE ORDER 12352**

**November 1, 1982**

**OFFICE OF MANAGEMENT AND BUDGET**

**PROGRESS REPORT ON IMPLEMENTATION OF  
EXECUTIVE ORDER NO. 12352**

**SUMMARY**

- Executive Order 12352 on "Federal Procurement Reforms" was signed on March 17, 1982. It requires heads of executive agencies and the Office of Management and Budget (OMB) to make fundamental reforms in the Federal procurement process to ensure effective and efficient spending of public funds. It specifically requires that heads of agencies initiate a series of procurement reforms and that OMB's Office of Federal Procurement Policy (OFPP) work with the agencies to provide broad policy guidance and overall leadership, and to report progress to the President. The Director of the Office of Personnel Management (OPM) is directed to ensure that personnel policies and standards meet agencies' needs for a professional procurement work force.

Since the first progress report was submitted on August 6, 1982, the following things have been accomplished:

- o The five interagency task groups responsible for identifying ways and means for agencies to fully implement the Executive Order completed their planning and began to execute their plans. One hundred thirty-one people from 26 agencies are working on these task group efforts, representing a substantial contribution by both the organizations and individuals who must continue to manage their agency workloads with reduced resources.
- o Forty-three agencies designated Procurement Executives who have authority, responsibility, and accountability for managing their agencies' procurement systems and programs.
- o OPM issued proposed final classification and qualification standards for Government employees in the contracting occupation for a formal "second review." Agencies and other interested parties submitted comments. Though significant disagreements remain, the concerned parties are working to resolve them.
- o The Defense Department, the General Services Administration, and the National Aeronautics and Space Administration are working together to complete and publish a single Federal Acquisition Regulation by July 1, 1983, in accordance with their Memorandum of Agreement. However, requirements of the Paperwork Reduction Act may affect issuing the FAR by this date.

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### Attachments

1. List of Agency Procurement Executives
2. Draft Flow Chart depicting the Federal Procurement Process



### SIGNIFICANT EVENTS

- August 17** OPM released proposed final classification and qualification standards for procurement personnel, for agency and public comment.
- August 18** The Executive Committee reviewed the final work plan of the interagency task group charged with identifying ways for agencies to improve and evaluate the performance of their procurement systems. The Committee also assessed the progress of the task groups on career management programs and clear lines of contracting authority and accountability, whose plans were completed in July.
- September 15** The Executive Committee reviewed the final work plans of the interagency task groups on simplifying small purchases and reducing administrative costs and burdens. The Committee also considered the steps it should take to facilitate resolution of outstanding issues in the development of the procurement personnel standards.
- September 21** Top acquisition executives from OFPP, DOD, GSA, and NASA met with OPM Director Devine regarding the proposed final personnel standards for the procurement field.
- September 22** OFPP briefed the Federal Procurement Council (FPC) on the activities and progress of the Executive Committee and its five interagency task groups. The FPC, comprised of procurement representatives of the 24 largest federal agencies, is the principal mechanism for consultation between OFPP and these agencies regarding implementation of the Executive Order and the proposed Uniform Federal Procurement System.
- September 30** Designations of Procurement Executives were received from all agencies that had been requested to provide them. A complete list of Agency Procurement Executives was compiled. (See Attachment 1.)
- October 5** The Chairmen of the five interagency task groups briefed representatives of industry associations on their planned efforts, and solicited ideas and advice for ensuring that the task groups generate recommendations that, when implemented by the agencies, will reduce the administrative costs and burdens borne by contractors.

- October 12 All five interagency task groups completed their planning phase and had begun working to execute their plans.
- October 13 The chairman of the task group on improving procurement system performance briefed the Executive Committee on the work of his task group, and discussed early drafts of two products that can be used directly by agencies while they serve as baselines for further task group efforts. (See Attachment 2.) The Executive Committee also reviewed the progress of DOD, GSA, and NASA in completing the single Federal Acquisition Regulation, and considered plans for its implementation.

**FEDERAL ACQUISITION REGULATION (FAR)**  
(Section 2 of E.O. 12352)

There are two major objectives to be accomplished if the FAR is to be effectively established as the single, Government-wide procurement regulation: completing the document itself, and agencies converting from their present regulations to the FAR System.

**Completing the Document.**

High-level acquisition officials at DOD, GSA, and NASA are meeting regularly to ensure that the FAR is completed and printed on schedule. The schedule, which is part of the Memorandum of Agreement signed by the three agencies on August 2, 1982, calls for:

- o Printing and limited distribution of a preliminary FAR by January 1, 1983. The agencies will use the preliminary FAR to plan for training and implementation.
- o Completion of a revised draft of the entire regulation by March 31, 1983, after consideration of industry and initial agency comments.
- o Publication of the FAR in the Federal Register by July 1, 1983.

Achievement of the publication milestone may be affected by the proposed application of the Paperwork Reduction Act to procurement regulations. Under OMB's proposed rule, the approximately 200 information collection requirements in the FAR will have to be reviewed by OMB. Clearance packages must be prepared, and OMB must review them. Changes to the FAR may be required as a result of the OMB review. This process, with its associated workload for OMB and the agencies, may affect the July 1, 1983 publication milestone.

Notwithstanding the appropriate emphasis they are placing on expeditious completion, the three agencies are mindful of achieving the underlying objectives of the FAR System:

## TASK GROUP EFFORTS

### General.

Executive Order 12352 directs the accomplishment of those procurement reforms that can be carried out administratively, without depending on or waiting for Congressional action to change statutes. Five interagency task groups are working to identify specific ways and means for agencies to fully implement the Executive Order. The task groups, whose efforts are expected to continue until late 1983, are made up of employees from 26 different agencies who have been chosen by their superiors to contribute substantial time and work to achievement of the groups' objectives. They are not conducting another round of studies, but are developing concrete guidance to assist the agencies.

In the task group forum, the agency representatives can brainstorm, analyze alternatives, and develop recommendations and associated guidance and supplementary materials to provide a truly useful blueprint for agencies to build upon, requiring a minimal additional investment of time and resources by each agency before it can take specific actions to implement reforms.

Since many of the task group participants will also be users of the task group output, they have ample incentive to produce practical and significant recommendations and guidance.

### Task Group 2: Establishing Clear Lines of Contracting Authority and Accountability.

This task group has subdivided its topic into four subject areas:

- a. The flow of contracting authority and organizational placement of the procurement function;
- b. The roles, responsibilities, and duties of contracting officers;
- c. The concept of the "Head of a Procuring Activity" and its relationship with the Procurement Executive; and
- d. The significance of signature authority, as opposed to award authority, in the procurement process.

The task group is presently reviewing draft working papers on these issues. These papers, when fine-tuned, will form the basis of the task group's final recommendations for use by the agencies.

### Task Group 3: Improving Government Procurement System Performance.

This group has subdivided its task into two subject areas:

- o Enhancing competition, and
- o Evaluating and certifying procurement system performance.

transactions, and (2) applied to more purchases (e.g., by eliminating restrictive dollar thresholds) by more agencies. To enhance the effectiveness of this work, the group is systematically soliciting specific suggestions from small businesses who deal with the Government, Government employees who actually perform the small purchasing function, and private companies who engage in small purchasing from each other. The group is also focusing on automation and forms, to develop guidance for automating small purchasing operations and to evaluate the potential for elimination, consolidation, or improvement of the forms used in small purchasing.

#### Task Group 6: Career Management Programs.

This task group is evaluating its subcommittees' first three draft packages, ultimately intended to be used by the agencies in developing or improving their (1) procurement intern programs, (2) contracting officer qualifications, and (3) infrastructures for career management programs.

The Procurement Intern Program package contains an intern program checklist to assist procurement executives, and forms for intern progress appraisal and intern program evaluation.

The Contracting Officer Qualification package includes a model Contracting Officer Qualification standard for use by Government agencies.

The Infrastructure package contains a procurement career management plan, five-year plans, and guidance for establishment of agency (1) Procurement Career Boards and (2) Procurement Personnel Information Systems.

While these drafts are undergoing review, three new subcommittees are preparing guidance for recruitment, training, and instruction of procurement personnel.

#### AGENCY IMPLEMENTATION ACTIONS

Agency heads are responsible for implementing Section 1 of Executive Order 12352. Twenty-six executive agencies are contributing the time and talents of their employees to the interagency task group efforts now underway. Because the task groups are laying the foundations for implementation, agencies are not expected to expend scarce resources duplicating that work at the agency level. Instead, agencies will assist the task groups and then build upon their products. The major milestone during the quarter was the designation of Agency Procurement Executives by all of the forty-three agencies requested to do so. Each agency has taken this major step in implementing Subsection 1(i) of the Executive Order.

Some agencies are pursuing internal reviews and reforms that foster implementation of the Executive Order without duplicating task group efforts. Some of these initiatives began independent of the Executive Order, but with the same spirit and intent. All of them are designed to result in improved procurement processes, practices, or practitioners. Examples of these activities keyed to the part of the Executive Order that they serve to implement, are:

The General Services Administration has drafted strict guidelines for all civilian agencies to follow in justifying sole source procurements. These guidelines are being circulated for comment.

The Department of the Interior is conducting a procurement management study to determine the number of noncompetitive procurements, the reasons for them, and what actions are necessary to reduce or eliminate them.

Within DOD, the Military Departments and DOD Agencies have designated advocates for competition at each procurement activity and have established goals for increasing competition. Other ways to enhance competition are being investigated: increasing competition in subcontracting; the area of competition based on factors other than price is being examined to see if additional guidance or clarification is required; and an examination is being made of the business factors impacting sole source decision making.

1(h) - Develop a highly qualified, professional work force

A Department of Energy training task group surveyed DOE procurement personnel to ascertain training accomplishments and requirements. Courses will be developed to serve perceived needs and will be taught at DOE activities.

The EPA has established a procurement intern program.

The Veterans Administration is including contracting officer training as a consideration in its budget formulation process for fiscal year 1984. It is anticipated that sufficient funds will be available to implement a mandatory contracting officer training program now being developed. The VA also expects to supplement ongoing efforts in FY 1983 to enhance training in contracting.

The Small Business Administration has a training committee, chaired by the Procurement Executive, developing courses for contracting officers and contract specialists in SBA, with emphasis on those assigned to the 8(a) program. This training will be conducted within the presently authorized budgetary limits.

As of 11/1/82

AGENCY PROCUREMENT EXECUTIVES**ACTION**

Mr. Charles C. Shank **254-3580**  
 Director, Contracts and Grants  
 806 Connecticut Ave., NW  
 Room P-400  
 Washington, DC 20525

**AGENCY FOR INTERNATIONAL DEVELOPMENT**

Mr. John F. Owens **632-9890**  
 Deputy Assistant to the  
 Administrator for Management  
 Room 3932 - Main State Building  
 320 21st Street, NW  
 Washington, DC 20523

**BOARD FOR INTERNATIONAL BROADCASTING**

Mr. Arthur D. Levin **254-8040**  
 Budget and Administrative Officer  
 Suite 1100  
 1201 Connecticut Avenue, NW  
 Washington, DC 20036

**CENTRAL INTELLIGENCE AGENCY**

Mr. A. T. Chason **281-8167**  
 Chief, Procurement Management Staff  
 Office of Logistics  
 Washington, DC 20505

**CIVIL AERONAUTICS BOARD**

Mr. Columbus D. Jude, Sr. **673-5246**  
 Director, Office of Administrative  
 Support Operations (OASO)  
 Room 322  
 1825 Connecticut Ave., NW  
 Washington, DC 20428

**COMMODITY FUTURES TRADING COMMISSION**

Mr. Joe F. Mink **254-9735**  
 Director, Administrative Services  
 Room 205  
 2033 K Street, NW  
 Washington, DC 20581

**CONSUMER PRODUCT SAFETY COMMISSION**

Mr. Kenneth R. Rashid **492-6775**  
 Associate Executive Director  
 for Administration  
 5401 Westbard Avenue  
 Bethesda, MD 20207

**DEPARTMENT OF AGRICULTURE**

Mr. Frank Gearde, Jr. **447-3937**  
 Director  
 Office of Operations  
 Room 113-W  
 14th Street and Independence Ave., NW  
 Washington, DC 20250

**DEPARTMENT OF JUSTICE**

Mr. Kamal J. Rahal  
Director, Procurement and  
Contracts Staff  
Justice Management Division  
Room 6213  
10th and Constitution Ave., NW  
Washington, DC 20530

633-2728

**DEPARTMENT OF LABOR**

Mr. Alfred Zuck  
Assistant Secretary for Administration  
and Management  
Room S. 2514  
200 Constitution Avenue, NW  
Washington, DC 20210

523-9086

**DEPARTMENT OF STATE**

Mr. Gerald L. John  
Chief, Procurement Division  
OPR/STP  
Room 528, SA-6  
Washington, DC 20520

235-9531

**DEPARTMENT OF TRANSPORTATION**

Mr. Barnett M. Ancelet  
Director of Installations and Logistics  
Room 9100  
400 7th Street, S.W.  
Washington, DC 20590

426-4237

**DEPARTMENT OF TREASURY**

Mr. Thomas P. O'Malley  
Director, Office of Procurement  
Room 1450  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

566-2586

**ENVIRONMENTAL PROTECTION AGENCY**

Dr. John Horton  
Assistant Administrator for Administration  
Room W1111  
401 M Street, SW  
Washington, DC 20460

382-4600

**EXECUTIVE OFFICE OF THE PRESIDENT**

Mr. Stratos D. Valakis  
Chief, Procurement Branch  
Office of Administration  
Room 424 - OEOB  
Washington, DC 20503

395-3314

**FEDERAL COMMUNICATIONS COMMISSION**

Mr. Thomas P. Campbell  
Associate Managing Director  
for Operations  
Federal Communications Commission  
Room 848  
1919 M Street, NW  
Washington, DC 20554

632-5316

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

Mr. Stuart J. Evans **755-2255**  
Assistant Administrator  
for Procurement  
Room B101 FB10  
400 Maryland Avenue, SW  
Washington, DC 20546

**NATIONAL LABOR RELATIONS BOARD**

Mr. Ernest Russell **254-9200**  
Director of Administration  
1717 Pennsylvania Avenue, NW  
Washington, DC 20570

**NATIONAL SCIENCE FOUNDATION**

Mr. Gaylord L. Ellis **357-7880**  
Director  
Division of Grants and Contracts  
Room 201  
1800 G Street, NW  
Washington, DC 20550

**NUCLEAR REGULATORY COMMISSION**

Ms. Patricia G. Norry **492-7335**  
Acting Director  
Office of Administration  
Washington, DC 20555

**OFFICE OF PERSONNEL MANAGEMENT**

Mr. Edward T. Rhodes **632-6108**  
Acting Associate Director  
for Administration  
1900 E Street, NW - Room 5305  
Washington, DC 20415

**OVERSEAS PRIVATE INVESTMENT CORPORATION**

Mr. Richard K. Childress **632-1804**  
Vice President for Personnel  
and Administration  
1129 20th Street, NW  
Washington, DC 20527

**RAILROAD RETIREMENT BOARD**

Mr. David J. Langdon **A.C. 312-751-4565**  
Director of Supply and Service **FTS 387-4565**  
844 Rush Street  
Chicago, Illinois 60611

**SECURITIES AND EXCHANGE COMMISSION**

Mr. Kenneth A. Fogash **272-2142**  
Deputy Executive Director  
Washington, DC 20549

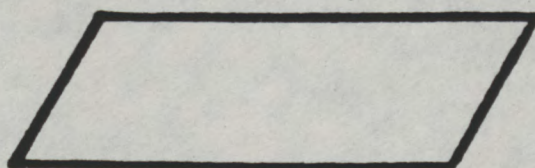
**SMALL BUSINESS ADMINISTRATION**

Mr. Robert F. McDermott **653-6635**  
Associate Administrator for  
Procurement and Technical Assistance  
1441 L Street, NW - Room 600  
Washington, DC 20416

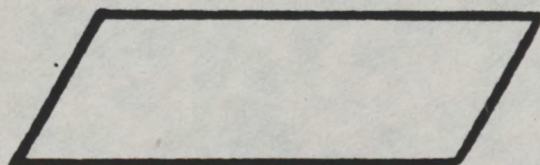




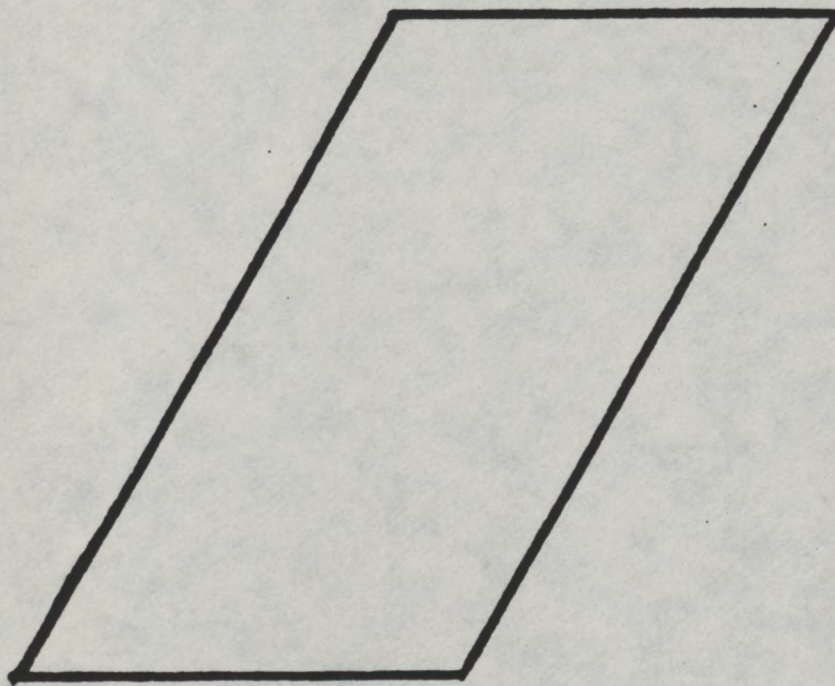
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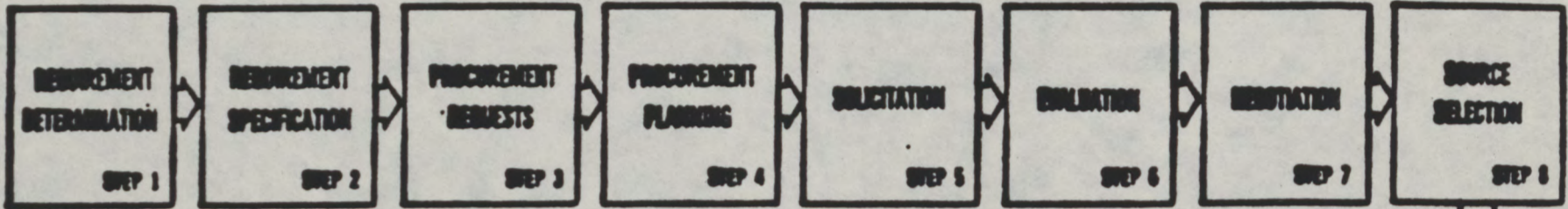


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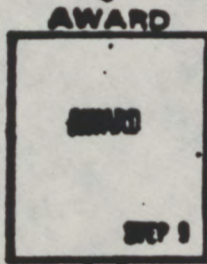


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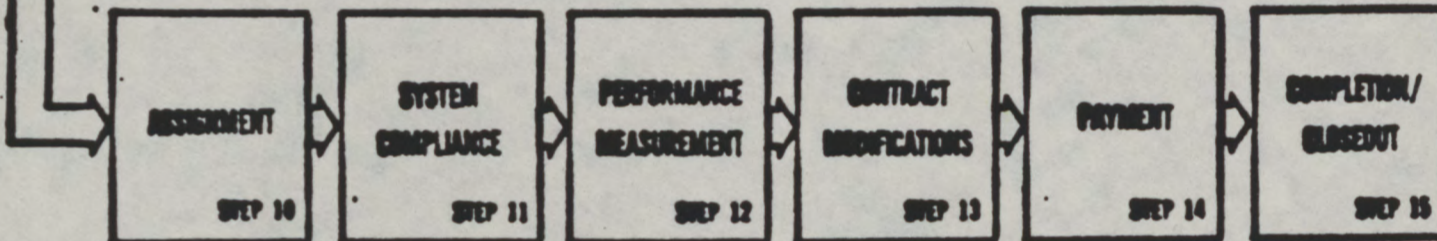
**PRE-AWARD**



**FEDERAL  
PROCUREMENT  
PROCESS**



**POST AWARD (Contract Administration)**



**DRAFT**

**FEDERAL PROCUREMENT PROCESSES**  
**PRE-AWARD**  
**REQUIREMENT DETERMINATION**

FUNCTION	CONSIDERATION
0 CONTINUOUS MISSION ANALYSIS	0 UNSOLICITED PROPOSALS
0 FORMAL NEED STATEMENT	0 EXISTING DEFICIENCIES
0 PROGRAM FORMULATION/APPROVAL	0 RISK ANALYSIS & TRADE-OFFS
0 BUDGET AUTHORIZATION AND APPROPRIATION	0 OPERATIONAL AND LOGISTICS REQUIREMENTS
0 PROJECT SELECTION/APPROVAL	0 IMPACT OF NOT MAINTAINING CAPABILITY
0 ESTABLISH LIAISON WITH PROCUREMENT OFFICE	0 INVENTORY STATUS
	0 PROJECTED OBSOLESCENCE
	0 ADEQUACY OF TECHNOLOGY BASE TO SUPPORT NEED
	0 TECHNOLOGICAL/COST SAVINGS
	0 BUDGET CONSTRAINTS
	0 IN-HOUSE VS. CONTRACT (A-76)
	0 GRANT VS. CONTRACT
	0 AVAILABILITY FROM OTHER AGENCY (COORDINATE)
	0 GOCO
	0 MOBILIZATION/INDUSTRIAL PREPAREDNESS PLANNING
	0 RELATE TO ONGOING PROJECTS, PLANS, AND COMPLETED EFFORTS
	0 A-109

**STEP 1.**

**FEDERAL PROCUREMENT PROCESS**  
**PRE-AWARD**  
**PROCUREMENT REQUESTS**

FUNCTION	CONSIDERATION
0 PREPARE PROCUREMENT REQUEST (PR) CONTAINING ALL REQUIREMENTS	0 ADEQUACY AND TIMELINESS OF FUNDS
0 DEVELOP PROPOSAL EVALUATION AND SOURCE SELECTION CRITERIA	0 INCREMENTAL FUNDING SCHEDULE
0 PREPARE COST ESTIMATE	0 MINIMUM REQUIREMENTS
0 OBTAIN REQUIRED APPROVALS	0 ECONOMIC ORDER QUANTITY
0 HAVE COMMITMENT OF FUNDS AFFIXED TO PR	0 INVENTORY SAFETY LEVEL
0 FURNISH POTENTIAL SOURCE LIST	0 PRODUCTION LEAD TIME
0 MAINTAIN LIAISON WITH PROCUREMENT OFFICE	0 REALISTIC DELIVERY
	0 PAST PERFORMANCE OF CONTRACTORS

**STEP 3.**

FEDERAL PROCUREMENT PROCESS

PRE-AWARD

PROCUREMENT PLANNING (Cont'd)

FUNCTION	CONSIDERATION
<ul style="list-style-type: none"> <li>- ESTABLISH LEAD TIME STANDARDS AND MILESTONES</li> </ul>	<ul style="list-style-type: none"> <li>0 1ST ARTICLE APPROVAL REQUIREMENTS</li> </ul>
<ul style="list-style-type: none"> <li>0 JUSTIFY/OBTAIN APPROVAL OF NON-COMPETITIVE PROCUREMENT</li> </ul>	<ul style="list-style-type: none"> <li>0 QUALIFIED PRODUCT LIST</li> </ul>
<ul style="list-style-type: none"> <li>0 OBTAIN CLEARANCES/DELEGATIONS                             <ul style="list-style-type: none"> <li>- ADPE</li> <li>- CONSULTANTS</li> <li>- NON-PERSONAL SERVICES</li> <li>- AUDIO-VISUAL</li> <li>- PRINTING</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>0 PERFORMANCE RISKS</li> <li>0 OPTIONS</li> <li>0 MULTI-YEAR</li> <li>0 CONTRACT FINANCING ALTERNATIVES</li> <li>0 ALTERNATIVE BID/PROPOSALS</li> <li>0 PATENTS/PROPRIETARY DATA</li> </ul>
<ul style="list-style-type: none"> <li>0 OBTAIN PREVAILING WAGE DETERMINATION (DOL)</li> </ul>	<ul style="list-style-type: none"> <li>0 PRIORITY AND ALLOCATION RATING</li> </ul>

STEP 4.

**FEDERAL PROCUREMENT PROCESS  
PRE-AWARD  
SOLICITATION**

FUNCTION	CONSIDERATION
<ul style="list-style-type: none"> <li>0 PREPARE SOURCE LIST</li> <li>0 PREPARE SOLICITATION               <ul style="list-style-type: none"> <li>- TERMS AND CONDITIONS</li> <li>- SOW AND REQUIREMENTS</li> <li>- SPECIAL CLAUSES</li> <li>- REPRESENTATIONS AND CERTIFICATIONS</li> <li>- SOURCE EVALUATION CRITERIA</li> <li>- GFE</li> <li>- PROPOSAL INSTRUCTIONS</li> <li>- SET-ASIDE STATEMENT</li> <li>- DOL WAGE DETER</li> </ul> </li> <li>0 CONDUCT SOLICITATION REVIEW BOARD</li> <li>0 OBTAIN REQUIRED REVIEWS               <ul style="list-style-type: none"> <li>- LEGAL</li> <li>- FUNDING</li> <li>- CONTRACTING</li> </ul> </li> <li>0 MAIL SOLICITATION               <ul style="list-style-type: none"> <li>- MAIL AMENDMENTS</li> <li>- POST PUBLICLY</li> </ul> </li> <li>0 RESOLVE PROTESTS ON SOLICITATION</li> </ul>	<ul style="list-style-type: none"> <li>0 QUALIFIED PRODUCTS LIST</li> <li>0 SERVICE CONTRACT ACT</li> <li>0 DAVIS BACON ACT</li> <li>0 ADEQUACY OF SOLICITATION               <ul style="list-style-type: none"> <li>- COMPLETE STATEMENT OF REQUIREMENT</li> <li>- RESPONSE TIME ADEQUATE</li> <li>- CONSISTENT WITH SOURCE SELECTION PLAN</li> <li>- COST OR PRICING DATA</li> <li>- SUBCONTRACTING PLAN</li> <li>- BID SAMPLES</li> <li>- EVALUATION CRITERION AND PROPOSAL INSTRUCTIONS CLEAR</li> </ul> </li> <li>0 AVAILABILITY OF GFM/GFE</li> <li>0 ADHERENCE TO INTERNATIONAL PROCUREMENT CODE REQUIREMENTS</li> <li>0 FOLLOWUP ON "NO BID"</li> </ul>

**STEP 5**

**FEDERAL PROCUREMENT PROCESS**  
**PRE-AWARD**  
**NEGOTIATION**

FUNCTION	CONSIDERATION
<ul style="list-style-type: none"> <li>0 NOTIFY OFFERORS NOT IN COMPETITIVE RANGE</li> <li>0 NEGOTIATION WITH OFFERS IN COMPETITIVE RANGE</li> <li>0 REQUEST BEST AND FINAL OFFERS (BAFO) <ul style="list-style-type: none"> <li>- OBTAIN COST OR PRICING DATA CERTIFICATION</li> </ul> </li> <li>0 EVALUATE CHANGES TO PRICE AND TECHNICAL PROPOSALS</li> <li>0 RESOLVE CONTRACTORS EXCEPTIONS</li> <li>0 DOCUMENT NEGOTIATIONS</li> <li>0 PREPARE REQUIRED BRIEFINGS/REPORTS</li> </ul>	<ul style="list-style-type: none"> <li>0 NEGOTIATION TEAM MEMBERSHIP</li> <li>0 NEGOTIATIONS CONDUCTED IN EQUITABLE MANNER <ul style="list-style-type: none"> <li>- PRECLUDE LEVELING AND TRANSFERENCE</li> <li>- PRECLUDE AUCTIONING</li> </ul> </li> <li>0 PROPOSED PRICE FAIR AND REASONABLE</li> <li>0 BAFO PRICE REDUCTIONS JUSTIFIED</li> <li>0 MEETING OF THE MINDS ATTAINED</li> </ul>

**STEP 7**

FEDERAL PROCUREMENT PROCESS

AWARD

FUNCTION	CONSIDERATION
<ul style="list-style-type: none"> <li>0 REVIEW CONTRACT                             <ul style="list-style-type: none"> <li>- EEO COMPLIANCE</li> <li>- SPECIFIC PAYMENT PROVISIONS (A-125)</li> <li>- REQUIRED REFERENCES SPECIFIED, ETC.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>0 CONTRACT CONSISTENT WITH SOLICITATION</li> <li>0 IS CONTRACT COMPLETE, UNAMBIGUOUS AND UP-TO-DATE?</li> <li>0 LEGAL SUFFICIENCY</li> <li>0 FAIRNESS/REASONABLENESS</li> <li>0 TIMELY NOTIFICATIONS</li> <li>0 ACCURATE DATA REPORTING</li> <li>0 LOOK FOR ENHANCED COMPETITIVE OPPORTUNITIES IN DEBRIEFINGS</li> </ul>
<ul style="list-style-type: none"> <li>0 REVIEW PERFORMANCE AND BONDS</li> </ul>	
<ul style="list-style-type: none"> <li>0 LEGAL REVIEW                             <ul style="list-style-type: none"> <li>- LEGAL SUFFICIENCY</li> <li>- AWARD PROTESTS</li> <li>- OCI REVIEW</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>0 REVIEW JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT</li> </ul>	
<ul style="list-style-type: none"> <li>0 REVIEW JUSTIFICATION FOR ACCEPTANCE OF UNSOLICITED PROPOSAL</li> </ul>	
<ul style="list-style-type: none"> <li>0 FINALIZE PROGRAM MANAGEMENT ORGANIZATION</li> </ul>	
<ul style="list-style-type: none"> <li>0 EXECUTE CONTRACT</li> </ul>	
<ul style="list-style-type: none"> <li>0 SYNOPSISIZE IN CBD</li> </ul>	
<ul style="list-style-type: none"> <li>0 CONGRESSIONAL NOTIFICATION</li> </ul>	
<ul style="list-style-type: none"> <li>0 NOTIFY UNSUCCESSFUL BIDDERS/OFFERORS</li> </ul>	
<ul style="list-style-type: none"> <li>0 RETURN BID BONDS TO UNSUCCESSFUL OFFERORS</li> </ul>	

STEP 9 (CONT'D)  
NEXT PAGE)



FEDERAL PROCUREMENT PROCESS

AWARD (Cont'd)

FUNCTION	CONSIDERATION
<ul style="list-style-type: none"><li>0 ACCEPT BONDS AND ISSUE NOTICE TO PROCEED</li><li>0 DEBRIEF WHEN REQUESTED</li><li>0 REPORT TO DATA SYSTEM</li><li>0 DISTRIBUTE COPIES OF CONTRACT</li><li>0 PREPARE "LESSONS LEARNED"</li></ul>	

STEP 9

**FEDERAL PROCUREMENT PROCESS**  
**POST AWARD (Contract Administration)**  
**SYSTEM COMPLIANCE**

FUNCTION	CONSIDERATION
<ul style="list-style-type: none"> <li>0 REVIEW AND MONITOR CONTRACTOR'S SYSTEMS               <ul style="list-style-type: none"> <li>- PURCHASING</li> <li>- QUALITY CONTROL</li> <li>- PROPERTY MANAGEMENT</li> <li>- ESTIMATING</li> <li>- ACCOUNTING</li> <li>- PERSONNEL (EEO)</li> <li>- WAGES AND BENEFITS</li> <li>- PENSION</li> <li>- CONFIGURATION CONTROL</li> <li>- INSURANCE</li> <li>- SOCIO-ECONOMIC POLICIES</li> <li>- SMALL BUSINESS</li> <li>- FINANCIAL MANAGEMENT</li> <li>- PRIORITY RATING</li> <li>- SECURITY</li> <li>- LABOR RELATIONS</li> </ul> </li> <li>0 CONSENT TO PLACEMENT OF SUBCONTRACTS</li> </ul>	<ul style="list-style-type: none"> <li>0 DURATION, COMPLEXITY, URGENCY, DOLLAR VALUE, AND TYPE OF CONTRACT</li> <li>0 GOVERNMENT/COMMERCIAL BUSINESS MIX</li> <li>0 COST ACCOUNTING STANDARDS AND DISCLOSURE STATEMENT</li> <li>0 EFFECTIVENESS OF CONTRACTOR'S SYSTEM</li> <li>0 MAXIMUM USE OF CONTRACTOR'S CURRENT MANAGEMENT DATA TO SATISFY GOVERNMENT NEEDS</li> <li>0 COST VERSUS BENEFIT OF DATA GENERATED</li> </ul>

**STEP 11**

**FEDERAL PROCUREMENT PROCESS**  
**POST AWARD (Contract Administration)**  
**CONTRACT MODIFICATIONS**

FUNCTION	CONSIDERATION
<p><b>0 EVALUATE</b></p> <ul style="list-style-type: none"> <li>- COST PROPOSALS ON CHANGES</li> <li>- PROPOSED SCHEDULE ADJUSTMENTS</li> <li>- PRICE PROPOSALS FOR UNPRICED ORDERS UNDER BOA'S</li> <li>- VALUE ENGINEERING CHANGE PROPOSALS, ETC.</li> </ul> <p><b>0 NEGOTIATE.</b></p> <ul style="list-style-type: none"> <li>- EQUITABLE ADJUSTMENTS FOR CHANGES</li> <li>- CHANGES TO INTERIM BILLING RATES</li> <li>- FORWARD PRICING AGREEMENTS</li> <li>- ADJUSTMENTS UNDER ECONOMIC PRICE ADJUSTMENT CLAUSE</li> <li>- CONSIDERATION FOR DELINQUENCY, ETC.</li> </ul> <p><b>0 EXECUTE CONTRACT MODIFICATIONS</b></p> <ul style="list-style-type: none"> <li>- ADMINISTRATIVE CHANGES/ADJUSTMENTS</li> <li>- ENGINEERING CHANGES</li> <li>- NEW WORK</li> <li>- SPARES AND OTHER PROVISIONING</li> <li>- CANCELLATION CHARGES UNDER MULTI-YEAR, ETC.</li> </ul>	<p><b>0 CONTRACTORS PURCHASING AND PRICING SYSTEMS</b></p> <p><b>0 IN-PLANT ENGINEERING REVIEW</b></p> <p><b>0 AUDIT FINDINGS</b></p> <p><b>0 TIMELINESS IN PRICING CHANGES</b></p> <p><b>0 CONTRACTOR'S</b></p> <ul style="list-style-type: none"> <li>- OVERHEAD RATES</li> <li>- COMPENSATION STRUCTURE</li> <li>- INSURANCE PLAN</li> <li>- ACCOUNTING SYSTEM</li> </ul> <p><b>0 SCOPE OF THE CONTRACT</b></p>

**FEDERAL PROCUREMENT PROCESS**  
**POST AWARD (Contract Administration)**  
**COMPLETION/CLOSEOUT**

FUNCTION	CONSIDERATION
<ul style="list-style-type: none"> <li>0 TERMINATION AND PARTIAL TERMINATION FOR CONVENIENCE OF DEFAULT</li> <li>0 FINALIZE OVERHEAD RATES</li> <li>0 DISPOSE OF EXCESS PROPERTY</li> <li>0 OBTAIN RELEASE OF CLAIMS</li> <li>0 OBTAIN FINAL PATENTS REPORT</li> <li>0 DETERMINE INCENTIVE AND AWARD FEES</li> <li>0 DEOBLIGATE EXCESS FUNDS</li> <li>0 DOCUMENT CONTRACTOR'S PERFORMANCE</li> <li>0 RETIRE OFFICIAL FILES</li> </ul>	<ul style="list-style-type: none"> <li>0 TIMELY CLOSEOUT OF CONTRACTS</li> <li>0 INTERIM SETTLEMENT OF RATES TO EXPEDITE CLOSEOUT</li> <li>0 P.L. 85-804 OR OTHER EXTRA-ORDINARY RELIEF</li> </ul>

STEP 15

THE WHITE HOUSE  
WASHINGTON

December 3, 1982

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1982 DEC -6 AM 9:39

RECEIVED  
OFFICE OF THE CHAIRMAN

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM: EDWIN MEESE, III *EM*  
JAMES A. BAKER, III  
DAVID A. STOCKMAN *AS*

SUBJECT: 1984 BUDGET APPEAL PROCEDURES

*WH-45* ←

During the next two weeks, final decisions must be made on 1984 budget requests for all agencies. This memorandum provides guidance on the process for handling appeals to OMB's recommendations. Every effort should be made to reach a final resolution on your request with OMB. If that is not possible, then you should request Budget Review Board (BRB) review of unresolved issues.

To facilitate orderly and timely consideration of your appeal, each issue should be summarized in a brief paper (in the attached format) and five copies should be submitted to Craig Fuller by Friday, December 10. The schedule is so tight that exceptions cannot be made. Therefore, failure to meet this deadline will result in denial of the appeal. You will be informed of BRB decisions by Craig Fuller.

You may appeal unresolved or rejected BRB appeal items to the President by making a request to Craig Fuller. Richard Darman and Craig Fuller will then schedule Presidential review sessions. OMB will prepare a summary of the remaining issues to be decided after the BRB meeting. After the session with the President, final decisions will be transmitted to you and to OMB by Craig Fuller and Richard Darman.

Strict adherence to these guidelines is necessary to ensure that all relevant parties have adequate opportunity to review the issues being appealed. We appreciate your cooperation in the preparation of the President's 1984 budget.

Attachment

*Came out of PAU's office*

FORMAT FOR DEPARTMENTAL OR AGENCY  
1984 BUDGET APPEAL

Agency:

Appeal Item: (Identify program and issue)

Budget Impact:

	<u>1983</u>	<u>1984</u> (\$ in millions)	<u>1985</u>
o <u>OMB Passback</u>			
Budget Authority Outlays			[If the issue is employ- ment, substitute a table showing work-years in full time equivalents (FTE)].
o <u>Agency Position</u>			
Budget Authority Outlays			
o <u>Amount Appealed</u>			
Budget Authority Outlays			

Program Description: Very brief

Justification for Agency Position:

State as briefly as possible the justification for adopting the agency position rather than the OMB passback amounts.

NOTE: These papers should be no more than 2 pages per issue.

December 16, 1982

Ms. Virginia H. Knauer  
Special Assistant to the President  
The White House  
Washington, D. C. 20500

Dear Ms. Knauer:

Thank you for your letter of November 29 enclosing an excerpt on the Federal Reserve Board from the Congressional Liaison Handbook. We have no major changes to make in the enclosed information printed in your 1981 Handbook. However, we would suggest two minor changes as noted on the enclosed excerpt.

Please let me know if I can be of further assistance.

Sincerely,

(Signed) Donald J. Winn

Donald J. Winn  
Assistant to the Board

Enclosure

CO:DJW:vcd (#WH-44)

bcc: Sandy Wolfe ✓

THE WHITE HOUSE  
WASHINGTON

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
*Dec*  
1982-NOV 31 AM 10:20

RECEIVED  
OFFICE OF THE CHAIRMAN

November 29, 1982

*WH-44*

Dear Chairman Volcker:

In September of 1981, the U.S. Office of Consumer Affairs released an updated version of the Congressional Liaison Handbook for Congressional caseworkers to use in resolving constituent complaints and answering inquiries. Many departments and agencies have made major changes in the last year, and since there is a continuing demand for this extremely helpful publication, we would like the information in the Handbook to be as up-to-date and as accurate as possible.

By copy of this letter, I am forwarding your agency's Congressional Liaison information presently listed in the publication to your Consumer Affairs Council Representative, to coordinate the update effort with your Congressional Liaison Officials.

It is my hope that these changes can be made as soon as possible and that we will receive the information by December 29, 1982. If there are any questions concerning this publication, please contact Barbara Johnson of my staff at (202) 634-4329.

Sincerely,

*Virginia H. Knauer*  
Virginia H. Knauer  
Special Assistant to the President

The Honorable Paul A. Volcker  
Chairman  
Federal Reserve Board  
Washington, D.C. 20551





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

NOV 4 1982

WH43

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS, ESTABLISHMENTS,  
AND INDEPENDENT AGENCIES

FROM:

CHRISTOPHER DEMUTH *Christopher Demuth*  
ADMINISTRATOR FOR INFORMATION  
AND REGULATORY AFFAIRS

SUBJECT: Unified Agenda of Federal Regulations

Attached is a copy of the Unified Agenda of Federal Regulations published in the Federal Register on October 28, 1982. This document provides the first comprehensive overview of pending federal regulatory activity.

I want to thank you and your staffs for the hard work that went into this first edition of the Unified Agenda. I look forward to working with you to make future editions even more useful in implementing the Administration's regulatory reform policies.

Attachment

CC:

Regulatory Contacts  
Regulatory Information Officers

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
1982 NOV 12 AM 9:18  
RECEIVED  
OFFICE OF THE CHAIRMAN

*Lowrey*

**Memo**

Board of Governors  
of the Federal Reserve System

Date

11/8

Time

To

Virginia

From

Sandy

Tel. No./Ext.

Please call

Returned your call

Will call again

See (phone) me re attached

As per conversation

For your information/approval

Note and return

For comments and suggestions

Preparation of reply

**Message**

Does this need any  
action on our part?

Tony says no reply  
rec.

THE WHITE HOUSE  
WASHINGTON

November 4, 1982

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1982 NOV -8 PM 12:25

RECEIVED  
OFFICE OF THE CHAIRMAN

WH-42

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS  
AND AGENCIES

SUBJECT: Procedures Governing Responses to  
Congressional Requests for Information

The policy of this Administration is to comply with Congressional requests for information to the fullest extent consistent with the constitutional and statutory obligations of the Executive Branch. While this Administration, like its predecessors, has an obligation to protect the confidentiality of some communications, executive privilege will be asserted only in the most compelling circumstances, and only after careful review demonstrates that assertion of the privilege is necessary. Historically, good faith negotiations between Congress and the Executive Branch have minimized the need for invoking executive privilege, and this tradition of accommodation should continue as the primary means of resolving conflicts between the Branches. To ensure that every reasonable accommodation is made to the needs of Congress, executive privilege shall not be invoked without specific Presidential authorization.

The Supreme Court has held that the Executive Branch may occasionally find it necessary and proper to preserve the confidentiality of national security secrets, deliberative communications that form a part of the decision-making process, or other information important to the discharge of the Executive Branch's constitutional responsibilities. Legitimate and appropriate claims of privilege should not thoughtlessly be waived. However, to ensure that this Administration acts responsibly and consistently in the exercise of its duties, with due regard for the responsibilities and prerogatives of Congress, the following procedures shall be followed whenever Congressional requests for information raise concerns regarding the confidentiality of the information sought:

1. Congressional requests for information shall be complied with as promptly and as fully as possible, unless it is determined that compliance raises a substantial question of executive privilege. A "substantial question of executive privilege" exists if disclosure of the information requested might significantly impair the national security (including the conduct of foreign relations), the deliberative processes of the Executive Branch or

No reply - Tony Cole

other aspects of the performance of the Executive Branch's constitutional duties.

2. If the head of an executive department or agency ("Department Head") believes, after consultation with department counsel, that compliance with a Congressional request for information raises a substantial question of executive privilege, he shall promptly notify and consult with the Attorney General through the Assistant Attorney General for the Office of Legal Counsel, and shall also promptly notify and consult with the Counsel to the President. If the information requested of a department or agency derives in whole or in part from information received from another department or agency, the latter entity shall also be consulted as to whether disclosure of the information raises a substantial question of executive privilege.
3. Every effort shall be made to comply with the Congressional request in a manner consistent with the legitimate needs of the Executive Branch. The Department Head, the Attorney General and the Counsel to the President may, in the exercise of their discretion in the circumstances, determine that executive privilege shall not be invoked and release the requested information.
4. If the Department Head, the Attorney General or the Counsel to the President believes, after consultation, that the circumstances justify invocation of executive privilege, the issue shall be presented to the President by the Counsel to the President, who will advise the Department Head and the Attorney General of the President's decision.
5. Pending a final Presidential decision on the matter, the Department Head shall request the Congressional body to hold its request for the information in abeyance. The Department Head shall expressly indicate that the purpose of this request is to protect the privilege pending a Presidential decision, and that the request itself does not constitute a claim of privilege.
6. If the President decides to invoke executive privilege, the Department Head shall advise the

requesting Congressional body that the claim of executive privilege is being made with the specific approval of the President.

Any questions concerning these procedures or related matters should be addressed to the Attorney General, through the Assistant Attorney General for the Office of Legal Counsel, and to the Counsel to the President.

*Ronald Reagan*



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BOARD OF GOVERNORS  
FEDERAL RESERVE SYSTEM  
1982 NOV -2 AM 11:15

RECEIVED  
OFFICE OF THE CHAIRMAN

OCT 7 1982

WH-41

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: JOSEPH R. WRIGHT, JR.  
DEPUTY DIRECTOR

*Attachment*

SUBJECT: Managing Federal Programs -- A Now Priority

We are finally starting to make some progress government-wide in reducing waste and mismanagement in Federal programs. The polls taken recently also show that the President is credited with emphasizing this as one of his major initiatives -- and being successful! Future results from the PCIE, the formation of the new Cabinet Council on Management and Administration, and Reform '88 will further show that we can successfully improve the management of the Federal Government. All of these efforts have greatly benefited from your personal support and can be further strengthened by enlisting the understanding and support of senior officials who are responsible for managing Federal programs in your agency. To that end, there will be a one-day conference on "Managing Federal Programs -- a Now Priority" on November 1, 1982, at the Hyatt Regency Hotel on Capitol Hill.

The conference, which is sponsored by the Cabinet Council on Management and Administration and the President's Council on Integrity and Efficiency, will re-emphasize the importance that the President attaches to improved management of Federal programs. It will provide a government-wide forum for senior executives to discuss ways to meet this challenge.

Inspectors General and Executive Resources Board Chairpersons are also being notified of this initiative. I hope you will lend your personal support to its success by encouraging attendance of your senior officials.

Attachment

cc: Inspectors General  
Executive Resources Board Chairpersons

*no attendance  
Livingston  
mfr*

A NATIONAL ISSUES CONFERENCE  
MANAGING FEDERAL PROGRAMS -- A NOW PRIORITY

AGENDA

November 1, 1982

HYATT REGENCY ON CAPITOL HILL

8:00 am - 8:45 am

REGISTRATION

8:45 am - 9:00 am

OPENING REMARKS

9:00 am - 9:30 am

KEYNOTE

MANAGING FEDERAL PROGRAMS -- A NOW  
PRIORITY

SPEAKER

JOSEPH R. WRIGHT, JR.  
Chairman, President's Council on  
Integrity and Efficiency

Deputy Director  
Office of Management and Budget

9:30 am - 10:00 am

STANDARDS OF CONDUCT AND ETHICS

SPEAKER

J. JACKSON WALTER  
President, National Academy of Public  
Administration

(Formerly) Director, Office of  
Government Ethics  
Office of Personnel Management

10:00 am - 10:30 am

ACCOUNTABILITY: BUZZWORD OR  
BULLSEYE?

ALFRED M. ZUCK  
Assistant Secretary for Administration  
and Management  
Department of Labor

10:30 am - 10:45 am

BREAK

10:45 am - 12:15 pm

THE CRITICAL PARTNERSHIP: COOPERATION OR  
CONFLICT

MODERATOR:

HOWARD MESSNER  
Assistant Director for Management  
Improvement and Evaluation  
Office of Management and Budget

PANEL:

JUDITH L. TARDY  
Assistant Secretary for Administration  
Department of Housing and Urban  
Development

RICHARD KUSSEROW  
Inspector General  
Department of Health and Human Services

12:15 pm - 2:15 pm

LUNCH AND SPEAKER

COST CONTROL IN THE FEDERAL GOVERNMENT:  
A VIEW FROM THE PRIVATE SECTOR

SPEAKER:

J. P. BOLDUC  
Vice President  
Booz, Allen and Hamilton

Director  
President's Private Sector Survey on Cost  
Control in the Federal Government

2:15 pm - 3:00 pm

IMPLEMENTING A-123: INTERNAL CONTROL  
SYSTEMS

SPEAKER:

HAROLD I. STEINBERG  
Associate Director for Management  
Office of Management and Budget

3:00 pm - 3:15 pm

BREAK



3:15 pm - 4:30 pm

PREVENTING ENCOUNTERS OF THE WORST KIND

MODERATOR:

CHARLES L. DEMPSEY  
Inspector General  
Department of Housing and Urban  
Development

PANEL:

MAJOR GENERAL M. ROGER PETERSON  
Deputy Director  
Defense Logistics Agency  
Department of Defense

CARLOS C. CAMPBELL  
Assistant Secretary for Economic  
Development  
Department of Commerce

ROBERT E. HUDAK  
Assistant Inspector General for Fraud  
Control and Management  
Department of House and Urban Development

4:30 pm - 5:15 pm

SES PUBLIC FORUM

(Participants comment on possible  
applications to their programs)

5:15 pm - 6:00 pm

BREAK

6:00 pm

DINNER AND SPEAKER

EDWIN MEESE (INVITED)  
Counsellor to the President  
The White House

CLOSING

-----  
Location: HYATT REGENCY ON CAPITOL HILL

For Registration information, please call:

Department of Labor-----523-9334

Department of Health and Human Services-----426-7621

Department of Housing and Urban Development-----755-6204



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

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1982 NOV -1 AM - 47

OCT 25 1982

RECEIVED  
OFFICE OF THE CHAIRMAN

*WH-40*

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: JOSEPH R. WRIGHT, JR.  
DEPUTY DIRECTOR

*Joe Wright*

SUBJECT: Use of Government Training and Conference Facilities

The campaign against waste in government continues to be a top priority of the Administration. Reform '88 is geared towards assisting us all in that effort -- but there are steps we can take in the short term. An obvious area with potential for savings is the use of training and conference facilities by executive agency personnel.

There are many government owned and operated training and conference facilities, particularly in the Washington, D.C., metropolitan area. These facilities, listed in the attachment for your convenience, usually are made available to other agencies at no cost or for a modest fee. You should take the necessary steps to assure that these government facilities are used whenever possible. Commercial, more expensive, facilities should be used only in those situations where a government facility is not available or can not meet reasonable requirements of the particular event.

I hope this is helpful to you and would appreciate your cooperation and attention to this area of savings in support of the President's cost reduction objectives.

Attachment

*Livingston, Weiss,  
Cremona  
M/R*

## GOVERNMENT TRAINING FACILITIES

COMMON NAME AND LOCATION	AGENCY	CONTACT NAME/ ADDRESS/TELEPHONE	LODGING CAPACITY	NUMBER MEETING ROOMS	CAP. OF MEETING ROOMS	CAP. OF GENERAL SESS. RM.	AVAIL. EATING FAC.	SECUR. CLEAR.
<b><u>DISTRICT OF COLUMBIA METROPOLITAN AREA</u></b>								
National Bureau of Standards Training Center Dept. of Commerce Gaithersburg, Maryland	DoC	Omar Halmat or Mary Ann Ray A-101, B-25 National Bureau of Standards Training Center Gaithersburg, MD 20760 921-3876	Local Hotels	12	88 (2) 63 (1) 60 (3) 44 (1) 15 (2) 12 (3)* *dining rooms	Audi- toriums 756 (1) 300 (1)	Yes	No
Defense Mapping Agency Topographic Center Washington, DC	DoD	Winifred Abell Defense Mapping Topographic Ctr. 6500 Brookes Lane Washington, DC 20315 (202) 227-2137	Local Hotels	3	30	Audi- torium 500	Yes	Yes
Defense Systems Mgmt. College Ft. Belvoir, Virginia	DoD	Jim Howell Defense Systems Management College Building 202 Ft. Belvoir, VA 22060	Ft. Belvoir BOQ	2	30	2 Audi- toriums 400 each	Yes	No
Industrial College of the Armed Forces Ft. McNair Washington, DC	DoD	Bob Hayes ICAF Ft. McNair 4th and P Streets, SW. Washington, DC 20314 693-1075	Local Hotels	22	50-100	3 Audi- toriums 300-500	Yes	No

GOVERNMENT TRAINING FACILITIES

COMMON NAME AND LOCATION	AGENCY	CONTACT NAME/ ADDRESS/TELEPHONE	LODGING CAPACITY	NUMBER MEETING ROOMS	CAP. OF MEETING ROOMS	CAP. OF GENERAL SESS. RM.	AVAIL. EATING FAC.	SECUR. CLEAR.
<b>DISTRICT OF COLUMBIA METROPOLITAN AREA (CON'D)</b>								
Dept. of Health and Human Services Hubert Humphrey Building Washington, DC	HHS	Joe Lorenz DHHS Washington, DC 20201 245-2153	Local Hotels	3	100	Auditoriums 100 (1) 520 (1)	Yes	No
The HHS SW. Career Education Institute Washington, DC	HHS	Jim Ross HHS SW. Career Education Institute Reporter's Building 300 Seventh Street, NW. Washington, DC 20024 (202) 245-9076	Local Hotels	9	18-20	30	Yes	No
HUD National Training Center Columbia, Maryland	HUD	Jeff McArthy HUD National Training Cntr. 5545 Sterett Place Columbia, MD 21046 (301) 755-5184	Local Hotels	5	150-200	Auditorium 200	Local Restaurants	No
FBI Academy Quantico, Virginia	DoJ	Will Ramsey FBI Academy Quantico, VA 22135 (703) 640-6131	For law enforcement community	14	50	1,000	Yes	Yes

GOVERNMENT TRAINING FACILITIES

COMMON NAME AND LOCATION	AGENCY	CONTACT NAME/ ADDRESS/TELEPHONE	LODGING CAPACITY	NUMBER MEETING ROOMS	CAP. OF MEETING ROOMS	CAP. OF GENERAL SESS. RM.	AVAIL. EATING FAC.	SECUR. CLEAR.
<b>DISTRICT OF COLUMBIA METROPOLITAN AREA (CON'D)</b>								
Legal Education Institute Department of Justice Washington, DC	DoJ	Karen Sherman, Director Legal Education Institute 1875 Connecticut Avenue, NW. Suite 1034 Washington, DC 20530 673-6372	Local Hotels	4	60-80 court- rooms	No	Local Restau- rants	No
Dept. of Labor (Plaza Level) Washington, DC	DoL	Norris Tyler Department of Labor 200 Constitution Ave., NW. Room S-1522 Washington, DC 20210 523-6434	Local Hotels	No	No	Audi- torium 250	Yes	No
Dept. of Labor Washington, DC	DoL	Carl Sanders Department of Labor 200 Constitution Ave., NW. Washington, DC 20210 523-7816	Local Hotels	11	60 (2) 30 (4) 15 (3) 20 (1) 17 (1)* *typing room	Audi- torium 250	Yes	No
Central Field Div. Civilian Personnel Command Arlington, Virginia	Navy	Therese Taylor 801 N. Randolph Street Ballston Tower 2 Arlington, VA 22203 (202) 696-4480	Local Hotels	2	30 (1) 25 (1)	No	Local Restau- rants	No

GOVERNMENT TRAINING FACILITIES

COMMON NAME AND LOCATION	AGENCY	CONTACT NAME/ ADDRESS/TELEPHONE	LODGING CAPACITY	NUMBER MEETING ROOMS	CAP. OF MEETING ROOMS	CAP. OF GENERAL SESS. RM.	AVAIL. EATING FAC.	SECUR. CLEAR.
<u>DISTRICT OF COLUMBIA METROPOLITAN AREA (CON'D)</u>								
Navy Material Command Crystal City, Virginia	Navy	Peggy Allen Chief of Naval Material MAT 021X Washington, DC 20360 692-8684	Local Hotels	2	30-40	No	Local Restau- rants	No
Office of Personnel Management 1900 E Street, NW. Washington, DC	OPM	Auditorium reservation and room information Office of Personnel Mgmt. 1900 E Street, NW. Washington, DC 20415 FTS 632-5501	Local Hotels	16	15-82	Audi- torium 286	Yes	No
Office of Personnel Management Thomas Circle Center Washington, DC	OPM	Tom Uttley Support Services Office of Personnel Mgmt. P.O. Box 7230 Washington, DC 20044 FTS 632-6028	Local Hotels	23	24-36	No	Yes	No
Office of Personnel Management 1100 L Street, NW. Washington, DC	OPM	Tom Uttley Support Services Office of Personnel Mgmt. P.O. Box 7230 Washington, DC 20044 FTS 632-6028	Local Hotels	3	24-36	No	Local Restau- rants	No

GOVERNMENT TRAINING FACILITIES

COMMON NAME AND LOCATION	AGENCY	CONTACT NAME/ ADDRESS/TELEPHONE	LODGING CAPACITY	NUMBER MEETING ROOMS	CAP. OF MEETING ROOMS	CAP. OF GENERAL SESS. RM.	AVAIL. EATING FAC.	SECUR. CLEAR.
<b>DISTRICT OF COLUMBIA METROPOLITAN AREA (CON'D)</b>								
Belmont Elkridge, Maryland	Smithsonian	Mary Force 6555 Belmont Woods Elkridge, MD 20227 (301) 796-4300	25 and Local Hotels	6	10-35	40	Yes	No
Foreign Service Institute Rosslyn, Virginia	State	Perry Linder 1400 Key Boulevard Rosslyn, VA 22209 FTS 235-8758	Local Hotels	162	40 (2) 25 (10) 4-6 (150)	2 Audi- toriums 140	Local Restau- rants	No
IRS National Training Center Crystal City, Virginia	Treasury	Louise Roberts Internal Revenue Service National Training Center 2221 Jeff. Davis Highway Crystal Plaza Bldg. 6 Arlington, VA 22202 557-7641	Local Hotels	8	20-30	No	Yes	No



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

WH-39

BOARD OF GOVERNORS  
 FEDERAL RESERVE SYSTEM  
 1982 OCT 29 PM 12:05  
 RECEIVED  
 OFFICE OF THE CHAIRMAN

OCT 8 1982

MEMORANDUM TO SELECTED DEPARTMENT AND AGENCY HEADS

FROM: Joseph R. Wright, Jr.  
 Deputy Director

*Speciment*

SUBJECT: Review of Federal Publications -- Reform '88

The Reform '88 effort is under way and you will be receiving results of our combined efforts to improve the management of the Federal government and to reduce costs. An area that continually receives public attention is periodicals and pamphlets since printing had been growing during the previous Administration. We are making real progress in reversing that trend.

We have just completed a major review of federal periodicals and pamphlets. Our report on this inventory of periodicals and pamphlets is provided for your information. At an October 6 news conference, I announced the results of the initial phase of the Reagan Administration's continuing drive to eliminate costly, redundant and superfluous publications.

In response to the April 1981 Presidential directive and the exhaustive review conducted by the agencies and OMB, sixteen percent of all government publications will be discontinued. The number of government publications will be reduced from about 12,000 to 10,000. While a number of agencies are taking significant actions to reduce this inventory, the report reveals that some agencies are not doing enough to fulfill the President's memorandum of April 20, 1981, to eliminate wasteful spending on these activities.

We will be monitoring future progress toward the President's goal of eliminating or reducing unnecessary and low-priority publications. This will be done as a part of the management tracking system designed for Management Reform '88. Please revise your goals for inclusion in this system by further reducing spending for publications, and reflecting these reductions in revised Exhibits A, B, and C to Supplement No. 1 of Bulletin 81-16.

*Livingston  
 +  
 Anderson  
 m/r*



All agencies should review the list of publications and add those that have not yet been inventoried. This inventory list should be reduced significantly by your next review. These marked-up exhibits need to be received by November 15, 1982, to be reviewed during the 1984 Budget process. As a part of the cost reduction effort, you should review your periodicals to obtain higher user fees, and to determine the applicability of OMB Circular A-3 to more of your periodicals. We will be conducting an interagency review to identify additional duplication and overlap in existing publications. Materials specific to each agency are attached for your staff's review.

We look forward to your continued cooperation in fulfilling the President's objective in this important management improvement initiative. If your staff have any questions, please have them call our Management Improvement and Evaluation Division (395-5193).

Attachments



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

FOR IMMEDIATE RELEASE  
October 6, 1982

OMB 82-25  
President's Task Force  
on Management Reform  
202/395-5017

REFORM '88: Elimination, Consolidation and Cost Reduction  
of Government Publications

Over 2,000 government publications--one out of every six--are targeted for termination or consolidation into other publications under the Reagan Administration's continuing drive to eliminate costly, redundant and superfluous publications, Office of Management and Budget Deputy Director Joseph R. Wright, Jr., announced today.

In response to a Presidential directive announced in April 1981 and as a result of the review that OMB directed agencies to undertake last October, sixteen percent of all government publications will be discontinued. This amounts to 70 million copies -- 1/12 of the 850 million copies printed which are enough to provide every household in the United States with ten copies.

According to Wright, the initiative, together with 4,500 other cost reductions proposed for an additional 2,300 publications, will produce cost savings of more than one-third of all Federal publications. One out of three government publications will have its costs reduced or eliminated.

"Until the President directed a complete review of all government publications, Federal departments and agencies were printing about 12,000 publications," Wright said. "As a result of this in-depth study, our printing bill will be reduced from \$173 million in 1981 to about \$152 million in 1983. This is despite increased printing costs."

--MORE--

## FACT SHEET

### Reform '88: Elimination, Consolidation and Cost Reduction of Government Publications

#### SUMMARY

President Reagan's directive to eliminate unnecessary spending on Government publications has resulted in:

- the elimination or consolidation of 2,000 publications or one out of every six. This accounts for more than 70 million copies or 8 percent of all copies printed.
- the cost of another 2,300 publications is being reduced which means that more than one out of every three Federal publications will have its costs reduced.
- cost reductions will exceed \$20 million, a 15 percent reduction of the cost of these publications since the project began. This is despite rapidly rising publishing costs.

Additional actions are being taken to more closely review the remaining publications as part of Reform '88.

#### BACKGROUND

- In April 1981, the President directed agency heads to impose a moratorium on new publications and audio-visuals and to work with OMB on reducing these costs.
- Pursuant to this directive, OMB issued instructions to the agencies on 1) implementing the moratorium, 2) reviewing all existing and planned activities, 3) developing tighter approval systems, and 4) reporting to OMB on funding reductions.
- In October 1981, further OMB instructions targeted existing publications by requiring each agency to 1) list inventory information about each of its existing publications, 2) review each publication for elimination, consolidation and cost reductions, and 3) report to OMB on these additional funding reductions.
- The list of agency publications and proposed reductions were reviewed by agency central office staff and OMB budget examiners, and further reductions were made.

### Agency Costs

DOD had the largest publications cost of any agency, more than \$28 million. HHS was next with \$24 million in costs. Agriculture and Treasury followed with \$13 million and \$12 million respectively. These four agencies account for almost three-fifths of the cost of all Federal publications.

### Average Cost Per Publication

The average cost to produce each title is more than \$11,000 and ranges from less than \$3,400 in Interior to more than \$22,000 in HHS. The per-copy cost varies among agencies from about 10 cents to about 50 cents per copy.

### First Issue Dates

Information on first issue dates was provided for 71 percent of the titles. The information provided reflects only the first issue date of publications that are still being distributed. Where first issue dates were given, the 1976-1980 period had the most new issues, with more than 45 percent of the total. This contrasts with only 18 percent of the first issues being started in the 1971-1975 period.

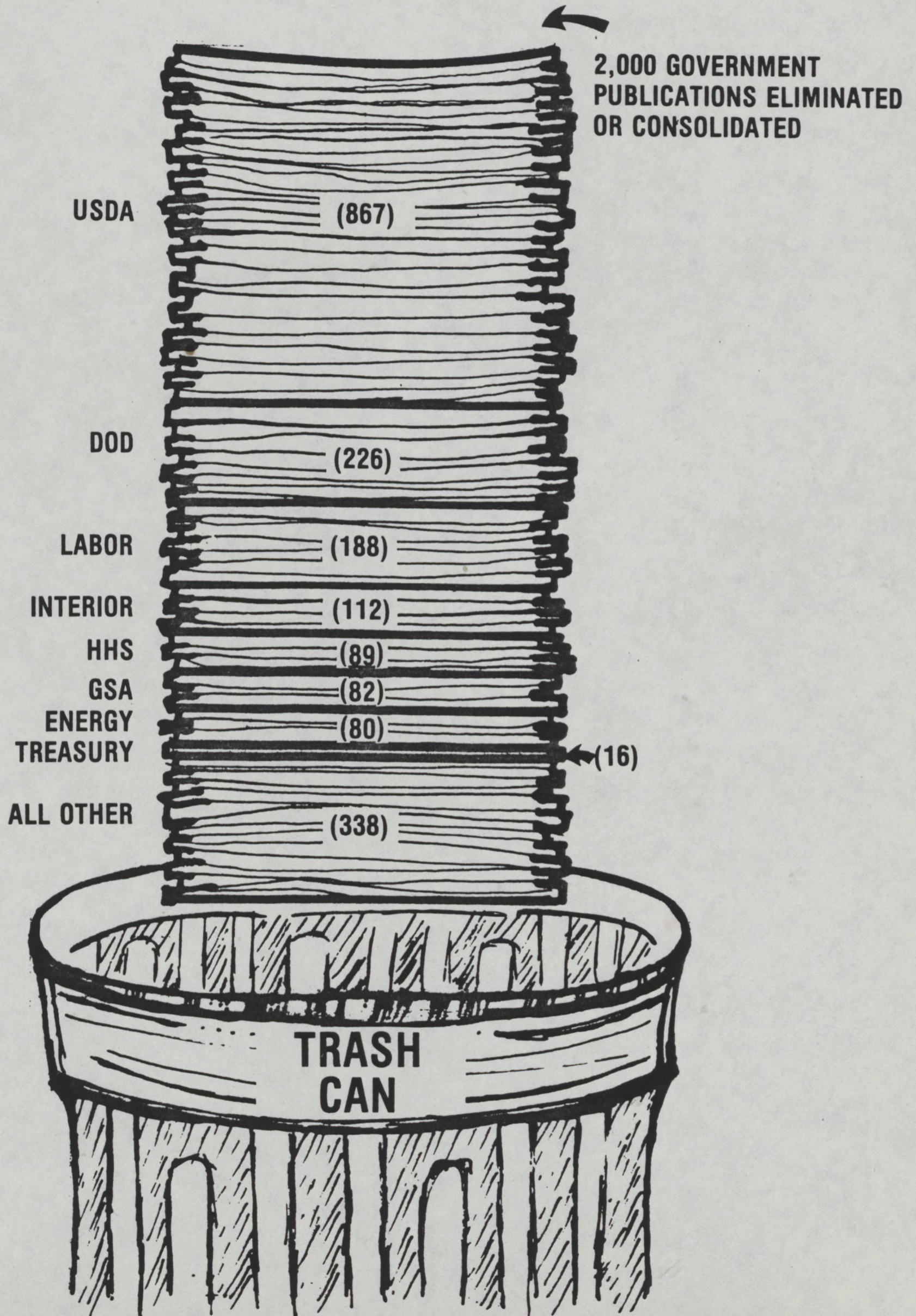
### Other Types of Cost Reductions

In addition to the 2,000 discontinued publications, the agencies proposed 4,478 cost-reduction actions on 2,300 other publications so that one out of every three Government publications will have its costs reduced (more than 4,300 out of 12,217). The others are still under review.

### Total Cost Reductions of Publications

When these cost reduction actions are added to the 2,000 eliminations and consolidations, the number of publications with some cost-saving action will total more than 4,300 titles, or over 35 percent of all Federal publications. Thus the review accomplished so far will reduce the cost of one out of every three Federal publications going to the public. The other two out of three Federal publications are still being reviewed to find additional cost savings.

# ELIMINATION AND CONSOLIDATIONS OF GOVERNMENT PUBLICATIONS BY AGENCY



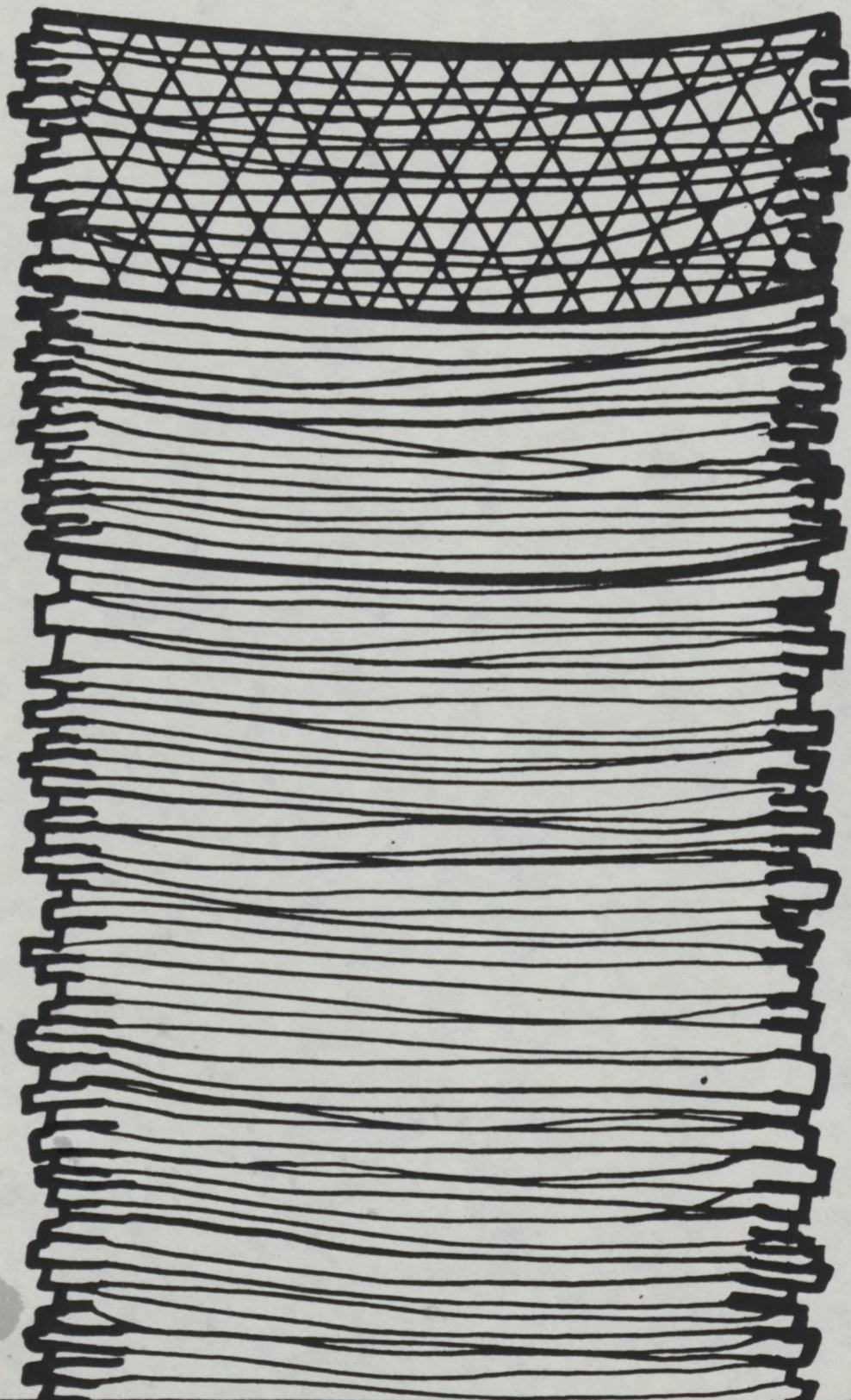
# GOVERNMENT PUBLICATIONS THAT ARE BEING ELIMINATED, CONSOLIDATED OR REDUCED

ALL GOVERNMENT PUBLICATIONS (12,200)

PUBLICATIONS THAT ARE BEING ELIMINATED OR CONSOLIDATED (2,000)

PUBLICATIONS WITH COST REDUCTIONS (2,300)

PUBLICATIONS STILL UNDER REVIEW



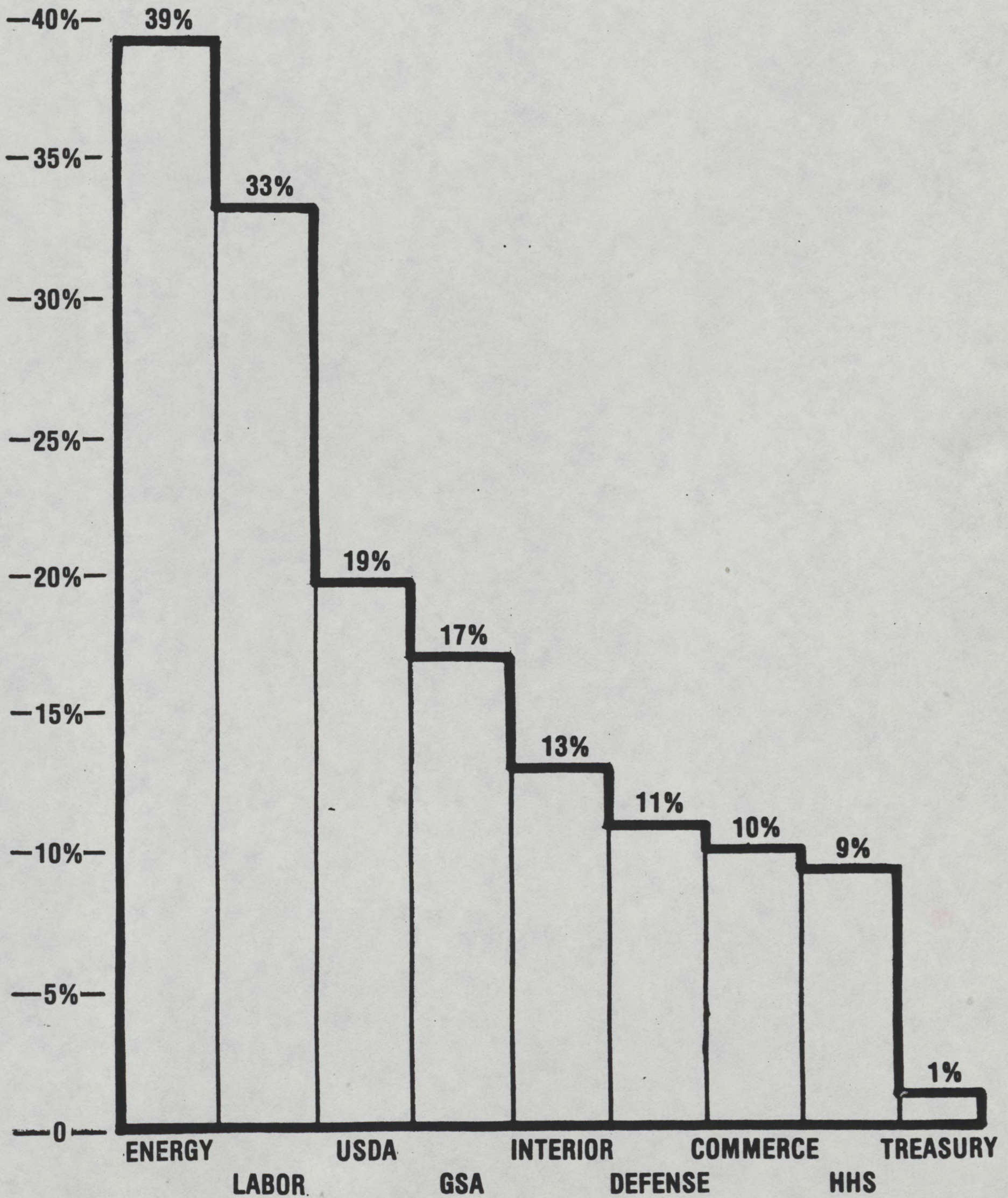
ONE OF EVERY THREE GOVERNMENT PUBLICATIONS IS BEING REDUCED

ALL OTHER GOVERNMENT PUBLICATIONS ARE STILL BEING REVIEWED

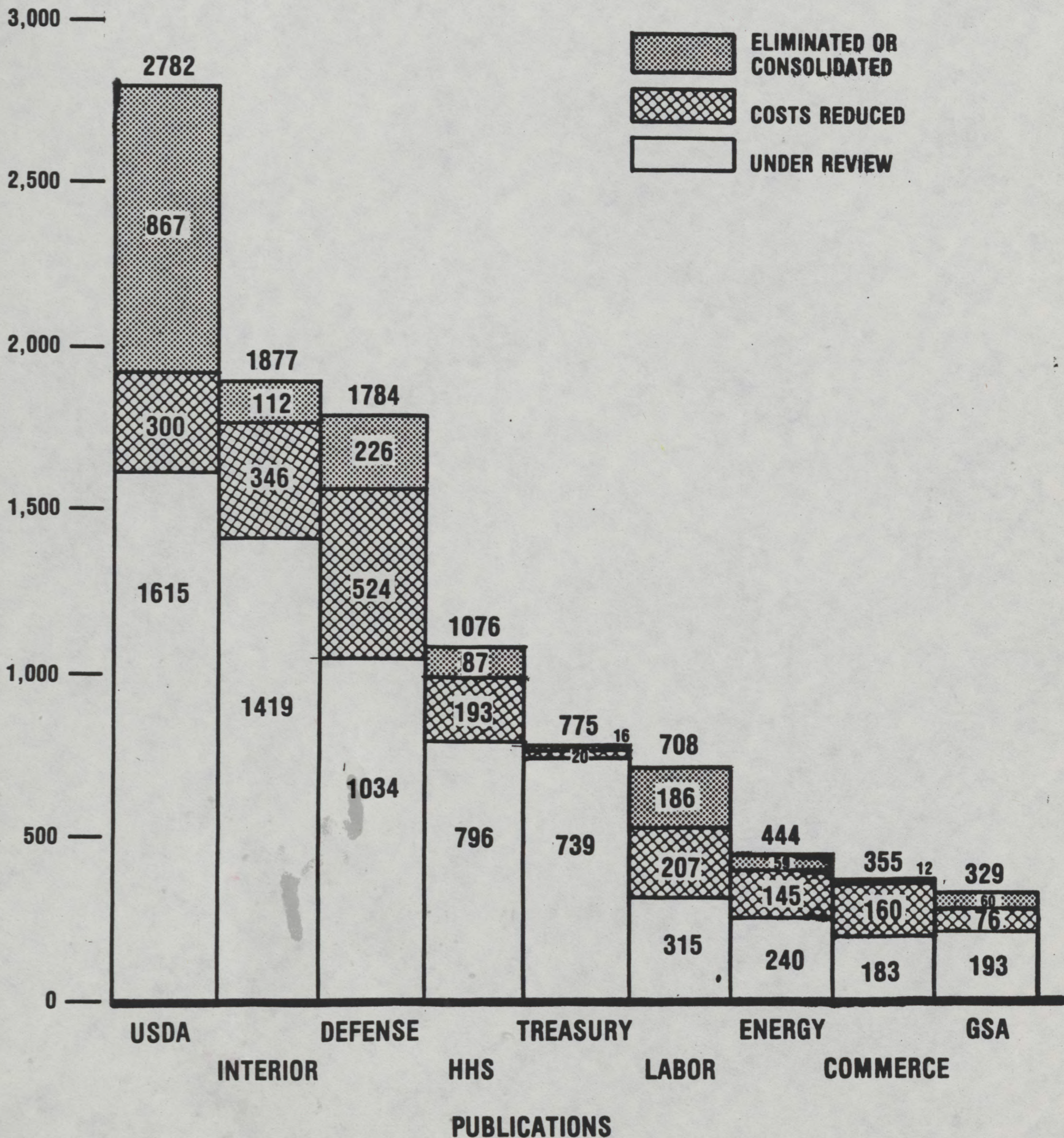
MAGAZINES

# SAVINGS ON PUBLICATIONS AS A PERCENT OF COST BY AGENCY

SAVINGS AS A PERCENT OF COST

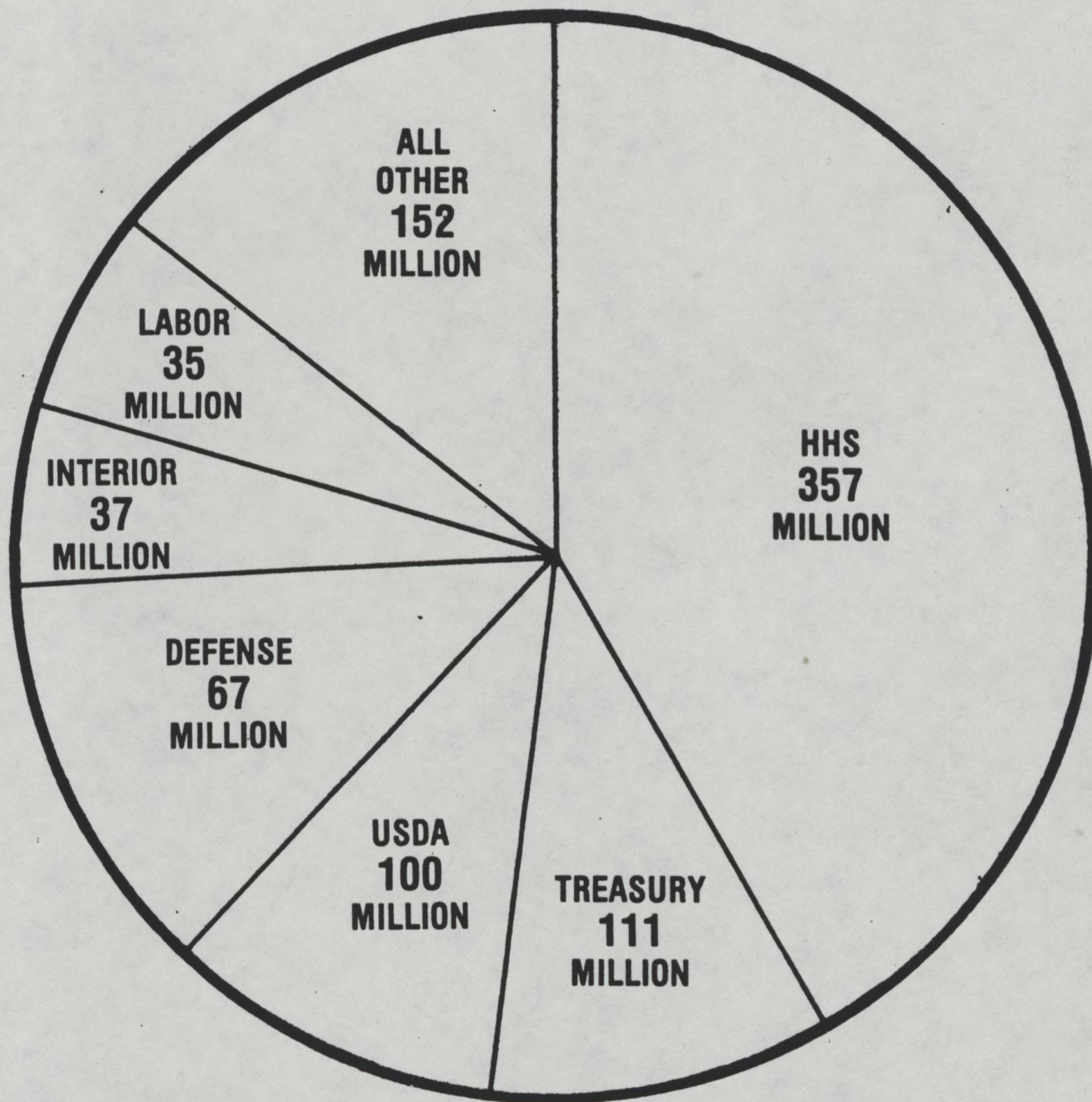


# DISPOSITION OF GOVERNMENT PUBLICATIONS BY AGENCY





# THE FEDERAL GOVERNMENT PUBLISHES 860 MILLION COPIES OF PUBLICATIONS



**REPORT ON ELIMINATIONS, CONSOLIDATIONS, AND  
COST REDUCTIONS OF GOVERNMENT PUBLICATIONS**

President's Memorandum and Bulletin 81-16

On April 21, 1981, pursuant to a Presidential directive, the Office of Management and Budget issued Bulletin No. 81-16 "Elimination of Wasteful Spending on Government Periodicals, Pamphlets, and Audiovisual Products." The Bulletin required each agency head to: 1) apply a moratorium to the printing or production of new periodicals, pamphlets, and audiovisual products; 2) review all existing and planned publications, and audiovisuals to identify and eliminate those that were unnecessary; 3) develop an internal control system plan to be reviewed and approved by OMB, for controlling the future production of publications and audiovisuals; and, 4) report to OMB on the funding reductions resulting from the comprehensive review.

By late August 1981, the Office of Management and Budget had reviewed and commented on each of the 65 agency control system plans and proposed reductions in funding resulting from the comprehensive review. Following the OMB comments, agencies resubmitted revised or corrected plans and reduction reports. In the audiovisual products area, most agencies had satisfactorily implemented OMB Circular A-114 "Management of Federal Audiovisual Activities". Expenditures on audiovisual products already were declining in response to the Circular, and approval systems were far better established for audiovisual products than for publications.

Supplement No. 1 to Bulletin 81-16

In the more costly publications area, most agencies had no clear idea of how many publications they produced or what they cost. On October 9, 1981, the Office of Management and Budget issued Supplement No. 1 to Bulletin No. 81-16, "Elimination and Consolidation of Government Periodicals and Recurring Pamphlets" which required agencies to make further efforts to identify and eliminate unnecessary existing publications.

Supplement No. 1 required agency heads to: 1) identify and list certain information about each of their existing publications; 2) review all periodicals and recurring pamphlets against the control criteria in their approved control system; 3) reapply for clearances for all periodicals subject to OMB approval under 44 U.S.C. 1108 and Circular No. A-3; 4) list all periodicals and recurring pamphlets to be continued after March 31, 1982; and, 5) report to OMB on savings and anticipated cost reductions resulting from agency and OMB actions required by the Supplement.

As the agencies had never centralized their inventories of periodicals and pamphlets or systems to review and approve them, a significant effort was required in each agency to develop such inventories. There also was a need to design and implement a process to review and reduce that inventory through the use of the agency's approved control plan. Each agency's inventory and reduction proposals were reviewed by the agency's OMB budget examiner. In some cases this OMB review triggered a further round of review and reduction.

This process required a much longer period of time than originally estimated. The process of identifying, describing, and evaluating over 12,000 publications stretched out over an extended period for some agencies. New review boards and processes were required by the agencies to develop agency-wide proposals for the elimination, consolidation and reduction of periodicals and pamphlets.

#### Characteristics of Agency Publications

In addition to title listings, each reporting agency was asked to provide specific information for each title on cost, volume, frequency of issue, age, level of approval or requirement, and revenue, if any, from subscription, mail-order, and bookstore sales. The compilation of this information proved to be difficult and time-consuming for many agencies, since much of the information had never been collected before or was not readily available in agency files.

Upon completing this inventory, each agency was required to review its publications and make further eliminations, consolidations, and reductions. A second inventory was then submitted to OMB by each agency which provided information for each title on the results of the agency review. Specific information on changes (including the type of changes made or planned) and savings resulting from these changes was reported. This second inventory also proved to be difficult and time-consuming.

The information, thus collected from each agency, was transferred to a computer file by OMB, reproduced in a printed format, and returned to the agencies for verification and correction of errors, omissions, or other anomalies. Upon completion of this verification and correction phase, OMB staff generated a series of summary reports from the computer file which are discussed below.

The information in this report is a compilation of individual agency data collections. The completeness and accuracy of the information may vary between agencies and even between subdivisions within major agencies because of variations in interpreting definitions of terms and the levels of effort expended on data collection and verification. We are confident that this report accurately reflects the general situation if not precise conditions.

The table on the following page presents the following characteristics of the largest nine agencies and the total federal inventory of publications: 1) agency cost, 2) number of publications, 3) copies of publications, 4) average cost per publication, and, 5) average cost per copy. These characteristics are discussed by section.

CHARACTERISTICS OF AGENCY PUBLICATIONS

AGENCY	Cost of Publications (millions of dollars)	Number of Publications	Copies of Publications (millions of copies)	Average Cost Per Publication	Average Cost Per Copy
DOD	\$ 28.2	1,784	67.2	\$ 15,801	\$ 0.42
HHS	\$ 23.9*	1,076	356.9	\$ 22,233*	*
Agriculture	\$ 13.3	2,782	100.4	\$ 4,786	\$ 0.13
Treasury	\$ 11.7	775	110.9	\$ 15,127	\$ 0.11
Energy	\$ 8.6	444	16.0	\$ 19,394	\$ 0.54
Labor	\$ 6.5	708	35.1	\$ 9,182	\$ 0.19
Interior	\$ 6.3	1,877	37.5	\$ 3,340	\$ 0.17
Commerce	\$ 6.2	355	12.6	\$ 17,404	\$ 0.49
GSA	\$ 6.1	329	29.1	\$ 18,670	\$ 0.21
All other	\$ 24.8	2,087	93.1	\$ 11,847	\$ 0.27
<b>TOTAL GOVERNMENT</b>	<b>\$135.6</b>	<b>12,217</b>	<b>858.8</b>	<b>\$ 11,097</b>	<b>\$ 0.16</b>

\* Many HHS publications were listed without cost data but with volume and other data, so these are only partial costs for HHS.

### Agency Costs

The costs of producing the publications reported by the agencies added up to \$136 million. The Department of Defense (DOD) had the largest publications cost of any agency with over \$28 million. The Department of Health and Human Services (HHS) was the next with \$24 million in costs. The Departments of Agriculture and Treasury followed with \$13 million and \$12 million respectively. These four agencies account for almost three-fifths of the cost of all federal publications.

### Number of Publications

The agencies identified 12,217 periodicals and pamphlets in their inventories. Agriculture reported the largest inventory of publications with almost 2800 titles. Interior and DOD each reported about 1800 titles and HHS listed almost 1100 titles. These four agencies accounted for over 60 percent of all publications listed.

### Number of Printed Copies of Publications

Last year, the Federal Government printed almost 860 million copies of these 12,217 titles, or over 10 copies for every household in the United States. HHS was the largest single distributor accounting for over 350 million copies or over 40 percent of the federal total. Agriculture and Treasury were the only other agencies reporting over 100 million copies each.

The number of copies of each publication printed varied dramatically from under 100 to over a million copies. For the titles on which print-run statistics were gathered, most (80%) had total copies of fewer than 30,000 printed in any one year. Over 5,000 or 44 percent of all titles were printed in small quantities of 5,000 or fewer copies in any one year. Only eight percent of the titles represented printings of over 100,000 copies or more:

<u>Number of copies per publication</u>	<u>Number (#)</u>	<u>Percent of total (%)</u>
Under 500	892	7.8%
500-999	713	6.2%
1,000-2,999	2,362	20.7%
3,000-4,999	1,117	9.8%
5,000-9,999	1,578	13.8%
10,000-19,999	1,433	12.5%
20,000-29,999	1,111	9.7%
30,000-49,999	593	5.2%
50,000-99,999	682	6.0%
100,000-199,999	367	3.2%
200,000 and over	585	5.1%
No response	784	
<b>TOTAL</b>	<b>12,217</b>	<b>100.0%</b>

### Average Cost Per Publication and Per Copy

The average cost to produce each title is over \$11,000 and ranges from under \$3,400 in the Interior to over \$22,000 in HHS. The per copy cost varies among agencies from about \$0.10 to about half a dollar per copy.

<u>Cost Per Publication</u>	<u>Number</u> (#)	<u>Percent of total</u> (%)
Under \$500	2,687	23.3
\$ 500 to \$ 999	1,687	14.7
\$ 1,000 to \$ 2,999	2,886	25.1
\$ 3,000 to \$ 4,999	1,185	10.3
\$ 5,000 to \$ 9,999	1,230	10.7
\$ 10,000 to \$ 19,999	758	6.6
\$ 20,000 to \$ 49,999	579	5.0
\$ 50,000 to \$ 99,999	239	2.1
\$100,000 or more	259	2.2
No Response	707	
	<hr/>	<hr/>
TOTAL	12,217	100.0%

Most of the more expensive publications were periodicals which had an average cost of \$22,700 per title compared to an average cost of \$7,600 per pamphlet. The cost per copy for a periodical averaged \$0.60 compared to \$0.08 for a pamphlet.

### Circular A-3 and Other Periodicals

Circular A-3 "Government Publications" is the Executive Branch implementation of Section 1108 of Title 44 of the United States Code which requires OMB approval of certain periodicals. The Title 44 definition of the term "periodicals" is complex and indefinite. Some agencies may have interpreted this definition so as to exclude most of their periodicals from the OMB clearance process specified in Circular A-3. Only 11 percent of the 2,533 periodicals reported are defined by the agencies as periodicals subject to OMB clearance under Circular A-3. The ratio of A-3 periodicals to total agency periodicals varied widely: from under 1 percent of DOD's and Treasury's periodicals to half of the Department of Labor's and GSA's periodicals.

### Approval Code

Fewer than 10 percent of the publications were listed as "required by statute." Our analysis did not include a check of the statutes to confirm the requirement. We suspect that many of the titles listed as required by statute are, in fact, authorized but not required. Over 80 percent were only "deemed essential by agency." Therefore, most agencies probably have greater latitude in changing or even terminating most of their publications than is readily acknowledged.

### User Fees

Only 9 percent or fewer than 1,100 publications were reported to have produced revenues through subscription or direct sales. Agriculture accounted for over 30 percent of all titles with revenues from user fees. DOD and Treasury reported user fees for approximately one percent of their publications.

### First Issue Dates

Information on first issue dates was provided for 71 percent of the titles. This information reflects only the first issue date of publications that are still being distributed. Where first issue dates were given, the 1976-1980 period had the most new issues with over 45 percent of the total. This contrasts with only 18 percent of the first issues being started in the 1971-1975 period. However, many issues started in the earlier periods may have been dropped or revised into new issues, so this table does not reflect all new issues in each period.

<u>Period of time</u>	<u>Number</u> (#)	<u>Percent of total</u> (%)
1950 or earlier	395	4.5
1951-1960	394	4.5
1961-1970	1,362	15.7
1971-1975	1,561	17.9
1976-1980	3,972	45.7
1981-1982	1,014	11.7
No response	<u>3,519</u>	
TOTAL	12,217	100.0%

### Eliminations of Publications

In addition to reporting inventory information on each publication, the agencies reviewed periodicals and pamphlets against control plans approved by OMB. This process resulted in the elimination of 1,762 publications or over 14 percent of all government publications. Agriculture led all agencies in number of publications eliminated (742) and the percentage (27%) eliminated. DOD (212), Labor (186) and Interior (102) were the only other agencies with over 100 eliminations each. Treasury and Commerce had the fewest eliminations with under 4 percent scheduled for elimination.

### Consolidation of Publications

In addition to 1,762 eliminations, the agencies are proposing the consolidation of 236 publications. Agriculture again led all agencies with over half of all consolidations. Agriculture proposed over five times as many consolidations as the next highest agency. The total of eliminations and consolidations equal almost 2,000 publications or one-sixth of the total inventory. These 2,000 publications to be discontinued account for over 70 million copies, or over eight percent of all copies printed.



Eliminations and Other Cost Reductions Compared to Cost by Agency

AGENCY	Publications to be Eliminated	Publications with Other Cost Reduction Actions	Savings on Publications	Cost of Publications	Savings as a Percent of Cost
DOD	212	538	\$ 3.1	\$ 28.2	10.8%
HHS	87	195	\$ 2.3	\$ 23.9	9.8%
Agriculture	742	425	\$ 2.5	\$ 13.3	18.5%
Treasury	16	20	\$ 0.1	\$ 11.7	0.7%
Energy	59	166	\$ 3.4	\$ 8.6	39.0%
Labor	186	209	\$ 2.1	\$ 6.5	32.7%
Interior	102	356	\$ 0.8	\$ 6.3	12.7%
Commerce	12	162	\$ 0.6	\$ 6.2	10.5%
GSA	60	98	\$ 1.0	\$ 6.1	17.1%
All Other	286	378	\$ 4.9	\$ 24.8	19.8%
<b>TOTAL GOVERNMENT</b>	<b>1,762</b>	<b>2,547</b>	<b>\$20.8</b>	<b>\$135.6</b>	<b>15.4%</b>

### Other Types of Cost Reductions

In addition to eliminating and consolidating publications, the agencies proposed 4,478 cost-reduction actions on 2,311 other publications. These reduction actions include lowering the production cost of these publications by reducing the volume, frequency of issue, use of color, and other printing and distribution costs. The most frequently mentioned types of cost reductions were changes in printing (1,239), fewer copies (872), and modified format (824). DOD led the other agencies by proposing 1,181 actions on 524 other publications.

### Total Cost Reductions of Publications

When these cost reduction actions are added to the almost 2,000 eliminations and consolidations, the number of publications with some cost-saving action will total over 4,300 titles or over 35 percent of all federal publications. Thus the review accomplished so far will reduce the cost of one out of every three federal publications going to the public. The other two out of three federal publications are still being reviewed to find additional cost savings.

### Savings from Eliminations, Consolidations and Cost Reductions

The savings that would result from these eliminations, consolidations, and cost reduction actions total over \$20 million for all the agencies. Overall, these savings will represent a reduction of over 15 percent of the cost of these publications since this project began.

Energy and Labor projected savings of one-third of their publication costs. Agriculture and GSA are projecting savings of over one-sixth of their costs. DOD, HHS, and Commerce proposed reductions of around 10 percent, and Treasury proposed savings of less than 1 percent of its \$12 million publications program. These agencies with increases include three of the four largest agencies, so they greatly reduce the overall savings percentage for all government agencies.

### Savings Per Publication and Per Copy

Most of the savings came from small reductions on many publications. Of the 4,300 publications with savings, over 50 percent involve savings under \$1,000. However, over 150 publications each had a reduction of \$25,000 or more, so the average reduction per publication with savings was \$4,800. The same relationship held true for savings per copy: over 80 percent had savings under \$1 per copy and over 85 percent of these had savings under 50¢ per copy.

### Savings and Fiscal Year Changes

The preceding costs and savings were summarized from the lists of non-recurring publications prepared by the Public Affairs offices of the agencies. These savings impact all three fiscal years: 1981, 1982 and 1983. This multi-year impact was taken into account when OMB, on October 9, 1981, requested that each agency provide fiscal year estimates of spending on publications. The following estimates of total budget obligations for publications, including non-recurring publications, were prepared by agency Budget Offices.

### Net Spending after Savings by Agency

The estimates of net spending after savings indicate that the growth in periodicals and pamphlets has been arrested in most agencies. Spending for periodicals and pamphlets is declining from \$173 million in 1981 to \$157 million in 1982 despite rapidly rising publishing costs. Net spending is estimated to further decline in 1983 to below \$152 million despite further inflation in publishing costs. From 1981 to 1983, the efforts made so far will reduce this spending by over 12 percent. This 12 percent reduction in spending is composed of considerable reductions by most agencies, particularly including Agriculture, Energy, and Labor with about 20 percent reductions. However, DOD, HHS, and Treasury, are projecting increases that produce an overall result of modest improvement.

Net Spending on Periodicals and Pamphlets (Publications), 1981-83  
(Obligations in millions of dollars)

Agency	1981 Actual	1982 Estimate	1983 Estimate	Percent Change 1981-1983
Department of Defense	30.5	29.5	30.7	+ 0.8%
Department of Health and Human Services	21.6	21.4	22.3	+ 3.2%
Department of Agriculture	17.6	16.0	14.0	- 20.7%
Department of Energy	17.2	17.5	13.2	- 23.0%
Department of the Treasury	11.4	11.6	11.9	+ 4.1%
Department of the Interior	7.4	6.5	6.3	- 15.3%
Department of Commerce	6.2	5.8	5.8	- 6.4%
Department of Labor	5.6	4.2	4.5	- 19.6%
General Services Administration	4.2	4.6	3.5	- 16.8%
All Other Agencies	51.4	40.7	39.3	- 23.5%
<b>TOTAL GOVERNMENT</b>	<b>173.1</b>	<b>157.8</b>	<b>151.5</b>	<b>- 12.5%</b>

### Next Steps

We believe more progress can and should be made, and will be. These publication reductions will be monitored by the management tracking system associated with Management Reform '88 which will be used to monitor quarterly accomplishment of goals we establish with the agency heads for additional eliminations and cost reductions during FY 1983. Beside quarterly tracking of eliminations and other reduction actions and net spending, we will be working with the agencies to reconcile any differences between their saving estimates by publication and the year-end totals presented by agency.

### User Fee Review

Since user fees are not being frequently charged, the agencies are being requested to follow the Department of Agriculture model of reviewing each publication for possible user charges and reporting to OMB on increased user charges. The results of these reviews and negotiations with OMB will further improve the spending goals in the management tracking system associated with Management Reform '88.

### Circular A-3 Coverage Review

Since the Circular A-3 wording is complex and indefinite, many agencies are not submitting periodicals that could be subject to OMB clearance (e.g., 1,195 out of the DOD's 1200 periodicals and none of Treasury's periodicals). Potential A-3 periodicals will be identified from the listing of publications, and the respective agencies will be requested to explain why the periodical is not subject to Circular A-3. If OMB determines the periodical is subject to Circular A-3, the agency will have to complete the requirements of the Circular for those periodicals.

### Further Elimination of Duplication and Overlap

This inventory of government publications will be distributed to all the significant publishing agencies as part of an interagency review to identify additional duplication and overlap in existing publications. The agencies are being asked to review this inventory of publications and reduce it significantly in the next review. Publishers and others who have expressed interest in the review of federal publications are being provided a listing of the publications proposed for elimination and consolidation. Additional information on the other publications will be made available upon request. Further information on these materials can be obtained by contacting the Office of Management and Budget/Management Improvement and Evaluation Division.

December 23, 1982

Awards Committee  
Joint Financial Management Improvement Program  
666 11th Street, N.W.  
Suite 705  
Washington, D.C. 20001

Dear Mr. Wright:

Thank you for your letter inviting the Board of Governors to participate in the 1982 Donald L. Scantlebury Memorial Award of the Joint Financial Management Improvement Program (JFMIP).

We support the goals and objectives of this very worthwhile program; however, we will not be forwarding a nomination at this time.

Thank you for your consideration. We look forward to participating in next year's program.

Sincerely yours,

John R. Weis,  
Assistant Director  
Division of Personnel

TD:sk:lc (#WH-38)  
bcc: Tony DiGioia  
Sue Klinedinst  
Sandy Wolfe (2) ✓



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

1982 OCT 26 PM 12:52  
October 15, 1982

RECEIVED  
OFFICE OF MANAGEMENT AND BUDGET

WH-38

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES, AND  
PUBLIC INTEREST GROUPS

SUBJECT: Joint Financial Management Improvement Program--  
Donald L. Scantlebury Memorial Awards

This is to invite you to nominate a senior executive from your organization for the 1982 Donald L. Scantlebury Memorial Award of the Joint Financial Management Improvement Program (JFMIP). This is the only award sponsored by the Federal Government that specifically recognizes exceptional and distinguished leadership in governmental financial management.

The Office of Management and Budget has just assumed chairmanship of the JFMIP. We see improved financial management as a cornerstone of Reform '88, the Administration's program to restructure the management and administrative systems of the Federal Government. As you know, Reform '88 is being coordinated by the newly established Cabinet Council on Management and Administration, and implemented through the President's Task Force on Management Reform.

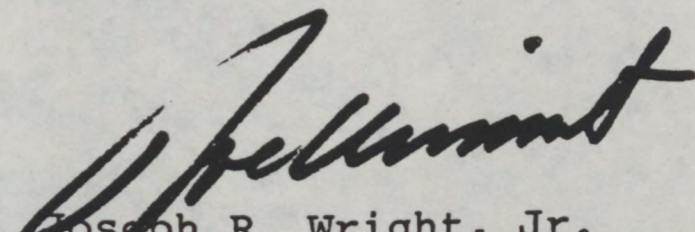
A key element in improving management is staff motivation, and this is the case with Reform '88. The Scantlebury award provides us with an opportunity to recognize senior financial executives who, through outstanding and continuous leadership have been responsible for significant economies, efficiencies and improvements in Government operations. Last year, the award went to David Sitrin, Deputy Associate Director for National Security, Office of Management and Budget and Thomas W. Hayes, Auditor General of California.

The JFMIP is accepting nominations of Federal, State or local government officials who have made outstanding contributions to financial management improvement over the years. Nominations should conform to the criteria and format in the attached brochure. Four copies of each nomination should be submitted to:

Awards Committee  
Joint Financial Management Improvement Program  
666 11th Street, NW  
Suite 705  
Washington, D.C. 20001

All nominations must be received by JFMIP before ~~January 7, 1983.~~  
Engraved plaques will be presented to the award winners at JFMIP's  
annual Financial Management Conference on March 21, 1983, in  
Washington, D.C.

We look forward to receiving your nominations.

  
Joseph R. Wright, Jr.  
Deputy Director

Attachment





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

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
1982 OCT 12 AM 11:50

M-83-1

OCT 7 1982 RECEIVED  
OFFICE OF THE CHAIRMAN

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM: JOSEPH R. WRIGHT, JR.  
DEPUTY DIRECTOR

*Joseph R. Wright, Jr.*  
WH-37

SUBJECT: New Requirements on Audit Followup

A new effort to restructure the management and administrative systems of the Federal government, called "Reform '88," is being coordinated by the White House with oversight by the newly-established Cabinet Council on Management and Administration. The program will be implemented in the departments and agencies through the President's Task Force on Management Reform. One of the essential elements of the program is to ensure that managers implement the recommendations of their auditors, who are dedicated to reducing waste, fraud and abuse.

The Office of Management and Budget has, over the past year, developed new guidelines concerning followup on audit reports issued by Inspectors General, the General Accounting Office, and other audit organizations. As part of Reform '88," OMB is officially transmitting these revised guidelines to agencies.

As a department/agency head, we will rely upon you and your management team to make these management improvements in your agency by assuring prompt and proper resolution and implementation of all audit recommendations. I ask that you advise all your management officials of the importance of being responsive to audit recommendations, which should result in faster and more efficient agency collection of debts and incorrect charges, reduced fraud and abuse, and improved efficiencies. This will enable agency heads and OMB to assure that resolution occurs within the required six months, and the necessary corrective actions within a reasonable period thereafter. The attached circular (A-50) contains details on the new requirements and outlines responsibilities.

OMB staff have been working with many of the departments and agencies for over a year to prepare for implementation of A-50, so I anticipate a smooth phase-in. Among the eleven standards for system design

*Mr. Livingston*

is an evaluation of your system's effectiveness, to be completed within a year from now. This evaluation will be reviewed by OMB.

The eleven standards which your system must meet are, in summary:

- ° A top-level official in charge of the program.
- ° Audit report recommendations resolved within six months.
- ° Specific written plans for corrective action with specified action dates.
- ° Accurate records of the status throughout the resolution and correction process.
- ° A mechanism to resolve major disagreements between the audit organization and department/agency management or contracting officials to enable resolution in six months.
- ° Assurance that resolution is consistent with law, regulation, and Administration policy.
- ° Coordination of resolution and corrective action between other affected programs, departments or agencies.
- ° Semi-annual reports to the department/agency head on all unresolved audit reports over six months old, with reasons, and a timetable for resolution.
- ° Periodic analysis of audit recommendations and resolution to determine trends and spot system-wide problems.
- ° Performance appraisals that reflect effectiveness in handling audit recommendations.
- ° Evaluation of the audit followup system within one-year and periodically after that.

The circular also includes special instructions for responding to GAO audit reports, including the comment process, statements to OMB or Congressional committees, and other special requirements.

As you can see -- this is a major departure from past efforts and procedures. Your cooperation in assuring the expeditious and smooth operation of audit followup procedures will be an important contribution to the Administration's overall effort to improve the government's management machinery to better serve the American people at less cost.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

September 29, 1982

Circular No. A-50  
Revised

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Audit Followup

1. Purpose. This Circular provides the policies and procedures for use by executive agencies when considering reports issued by the Inspectors General (IGs), other executive branch audit organizations, the General Accounting Office (GAO), and non-Federal auditors where followup is necessary.

2. Rescissions. This revision replaces and rescinds Circular No. A-50, "Executive branch action on General Accounting Office reports," Revised, dated January 15, 1979, and incorporates certain provisions previously set forth in Circular A-73, "Audit of Federal operations and programs," Revised, dated November 27, 1979.

3. Authority.

a. Budget and Accounting Act of 1921, as amended (31 USC 16 & 53).

b. Section 236 of the Legislative Reorganization Act of 1970.

c. Supplemental Appropriations and Rescissions Act of 1980 (P.L. 96-304).

d. Appropriations Act of 1981 (P.L. 96-526).

e. 4 CFR 101-105, Federal Claims Collection Standards.

f. GAO Policy and Procedures Manual for Guidance of Federal Agencies (Title 2-Accounting).

4. Background. The principal objectives of this revision are:

a. To specify the role of the designated audit followup officials, and the role of Inspectors General with regard to audit followup.

b. To strengthen the procedures for resolution of audit findings and corrective action on recommendations contained in audit reports issued by IGs, other audit organizations, and the GAO.

c. To clarify the applicability of the Circular to regulatory and preaward audits.

d. To emphasize the importance of monitoring the implementation of resolved audit recommendations in order to assure that promised corrective action is actually taken.

e. To improve accounting and collection controls over amounts due the Government as a result of claims arising from audits.

5. Policy. Audit followup is an integral part of good management, and is a shared responsibility of agency management officials and auditors. Corrective action taken by management on resolved findings and recommendations is essential to improving the effectiveness and efficiency of Government operations. Each agency shall establish systems to assure the prompt and proper resolution and implementation of audit recommendations. These systems shall provide for a complete record of action taken on both monetary and non-monetary findings and recommendations.

6. Definitions.

a. Responses to Audit Reports -- Written comments by agency officials indicating agreement or disagreement on reported findings and recommendations. Comments indicating agreement on final reports shall include planned corrective actions and, where appropriate, dates for achieving actions. Comments indicating disagreement shall explain fully the reasons for disagreement. Where disagreement is based on interpretation of law, regulation, or the authority of officials to take or not take action, the response must include the legal basis.

b. Resolution.

(1) For most audits, the point at which the audit organization and agency management or contracting officials agree on action to be taken on reported findings and recommendations; or, in the event of disagreement, the point at which the audit followup official determines the matter to be resolved. A report may be considered resolved despite the right of persons outside the agency to negotiate, appeal, or litigate. Resolution of a report with respect to parties outside the Government does not preclude further consideration of issues in the report by agency management.

(2) For preaward contract audits, the point at which agreement is reached, a contract price negotiated, or proposed award cancelled, whichever occurs first.

(3) For GAO reports, the point at which the agency responds to the Congress, as required by the Legislative Reorganization Act of 1970.

c. Corrective Action -- Measures taken to implement resolved audit findings and recommendations.

d. Disallowed Costs -- An incurred cost questioned by the audit organization that management has agreed should not be charged to the Government.

## 7. Responsibilities.

a. Agency Head. Agency heads are responsible for:

(1) Designating a top management official to oversee audit followup, including resolution and corrective action.

(2) Assuring that management officials throughout the agency understand the value of the audit process and are responsive to audit recommendations.

b. Management Officials. Agency management officials are responsible for receiving and analyzing audit reports, providing timely responses to the audit organization, and taking corrective action where appropriate. Where management officials disagree with an audit recommendation, the matter shall be resolved by a higher level management official or by the followup official.

c. Audit Followup Official. The audit followup official has personal responsibility for ensuring that (1) systems of audit followup, resolution, and corrective action are documented and in place, (2) timely responses are made to all audit reports, (3) disagreements are resolved, (4) corrective actions are actually taken, and (5) semi-annual reports required by paragraph 8.a.(8) below are sent to the head of the agency.

d. Inspectors General. Inspectors General or other audit officials are responsible for (1) making independent audits and investigations of their agencies' programs, operations, activities, and functions; (2) overseeing the work of non-Federal auditors performed in connection with Federal programs; and (3) reviewing responses to audit reports and reporting significant disagreements to the audit followup official.

e. Comptroller General. The Comptroller General is the head of the GAO, a legislative branch agency responsible for auditing and evaluating programs, activities, and financial operations of the executive branch.

## 8. Action Requirements.

a. Follow-up Systems. Agencies shall assign high priority to the resolution of audit recommendations and to corrective action. Systems for resolution and corrective action must meet the following standards:

(1) Provide for appointment of a top level audit followup official.

(2) Require prompt resolution and corrective actions on audit recommendations. Resolution shall be made within a maximum of six months after issuance of a final report or, in the case of audits performed by non-Federal auditors, six months after receipt of the report by the Federal Government. Corrective action should proceed as rapidly as possible.

(3) Specify criteria for proper resolution and corrective action on audit recommendations, whether resolution is in favor of the auditor or an auditee. These criteria should provide for written plans for corrective action with specified action dates, where appropriate.

(4) Maintain accurate records of the status of audit reports or recommendations through the entire process of resolution and corrective action. Such records shall include appropriate accounting and collection controls over amounts determined to be due the Government.

(5) Provide a means to assure timely responses to audit reports and to resolve major disagreements between the audit organization and agency management or contracting officials. The process should provide sufficient time to permit resolution to take place within the six month limit.

(6) Assure that resolution actions are consistent with law, regulation, and Administration policy; and include written justification containing, when applicable, the legal basis for decisions not agreeing with the audit recommendation.

(7) Provide for coordinating resolution and corrective action on recommendations involving more than one program, agency, or level of Government.

(8) Provide semi-annual reports to the agency head on the status of all unresolved audit reports over six months old, the reasons therefor, and a timetable for their resolution; the number of reports or recommendations resolved during the period; the amount of disallowed costs; and collections, offsets, write-offs, demands for payment and other monetary benefits resulting from audits. These reports should include an update on the status of previously reported unresolved audits.

(9) Provide for periodic analysis of audit recommendations, resolution, and corrective action, to determine trends and system-wide problems, and to recommend solutions.

(10) Assure that performance appraisals of appropriate officials reflect effectiveness in resolving and implementing audit recommendations.

(11) Provide for an evaluation of whether the audit followup system results in efficient, prompt, and proper resolution and corrective action on audit recommendations. The first evaluation will be made within one year of the date of this Circular, and evaluations will be made periodically thereafter.

b. Special Requirements. The following additional requirements apply to General Accounting Office reports:

(1) Draft Reports. The GAO normally issues draft reports to agencies for their review and comment, so that final reports may incorporate agency views. In accordance with 31 USC 53(f)(1), agencies shall provide comments on draft GAO reports within 30 days of issuance. However, the law provides that, if an agency cannot respond to a report within 30 days, the agency may request additional time from GAO to comment.

(2) Final Reports. The GAO issues final reports to the Congress or the head of an agency. Agencies are required to respond to these reports in accordance with instructions contained in paragraphs (3) and (4) below.

(3) Statements to the Office of Management and Budget. The agency head will submit a statement to the Director of OMB within 60 calendar days after formal transmittal of a GAO report to the agency when at least one of the following applies:

(a) The report contains a specific recommendation for the head of the agency;

(b) The report contains financial statements accompanied by either a qualified audit opinion or a disclaimer of opinion;

(c) The report indicates a violation of the Antideficiency Act which has not been reported to the appropriate authorities;

(d) The report indicates a violation of other laws;  
or

(e) When requested to comment by OMB.



The agency statement should identify the GAO report by number and date (i.e., GAO/GGD-82-00, dated January 30, 1982), and be submitted in duplicate. It should inform the OMB of the agency views on the findings and recommendations made by the GAO. It should also identify any action taken, or planned, in response to each significant finding or recommendation.

If the agency response to a draft GAO report accurately and adequately reflects its current views, a copy of those comments will be sufficient.

When corrective action is incomplete, still under study, or planned, the agency will include a statement of when it expects action to be completed, and will report on corrective action after it is completed.

The agency should include in its statement to OMB copies of statements required by Section 236 of the Legislative Reorganization Act of 1970. See paragraph (4) below. These statements may be used to satisfy the initial reporting requirements to OMB. The statements should be accompanied by any additional information not provided to the Congress, but required by this section of the Circular.

(4) Statements to Congressional Committees. In accordance with Section 236 of the Legislative Reorganization Act of 1970, when a GAO report contains recommendations to the head of an agency, the agency shall:

(a) Submit a written statement to the Senate Committee on Governmental Affairs and the House Committee on Government Operations, no later than 60 days after the date of such report. This statement will report the action taken or to be taken by the agency with respect to the recommendations to the head of the agency.

(b) Submit a written statement to the Committees on Appropriations of the Senate and the House of Representatives, in connection with the first request for appropriations for that agency submitted to the Congress more than 60 days after the date of the GAO report. This statement will report the action taken or to be taken by the agency with respect to the recommendations to the head of the agency.

Two copies of the above statements will be submitted on the same date to the OMB and the GAO.

(5) Advance Clearance and/or Coordination Requirements. Agency statements to Congressional committees, individual Members of Congress or the GAO, will be subject to advance coordination and/or clearance by OMB when the statement:

(1) Expresses views on proposed or pending legislation. See Circular A-19, "Legislative coordination and clearance."

(2) Deals with other agencies, or with executive branch budget policies.

Requests for advance clearance and/or coordination will be addressed to the Director, OMB, and will be forwarded in duplicate. Clearance action will be completed prior to transmittal of the statement.

9. Applicability to Regulatory Audits. The requirements for resolution and corrective action contained in paragraph 8.a. shall be applied to those reports of agency units responsible for regulatory or inspection activities involving the review of financial matters that may result in:

- (a) Fines or penalties;
- (b) Assessments or price adjustments; or
- (c) Other monetary recoveries by the Government.

The agency audit followup official shall ensure that appropriate followup systems are in place for these units. Separate subsystems may be used.

10. Applicability to Preaward Contract Audits. Audit reports involving recommendations on contractor estimates of future costs are subject to the provisions of this Circular. However, since such reports generally are resolved by negotiation of a contract price, they are not subject to the time limits or reporting requirements set forth in paragraphs 8.a.(2), (5), and (8). The requirement for records on the status of reports set forth in paragraph 8.a.(4) may be met by records maintained in official contract files.

11. Accounting and Collection Controls. In order to ensure effective recovery action, each agency will establish accounting and collection controls for amounts due the Government as a result of resolved audit findings and recommendations. Unless otherwise required by statute, all claims arising from audit disallowances shall be collected in accordance with the Federal Claims Collection Standards.

(a) Recording Receivables. Amounts due the Government shall be recorded promptly as accounts receivable on completion of the acts which entitle an agency to collect such amounts. For example, on matters where the auditor has the authority to make final determinations, such determinations are to be recorded as receivables at the time the audit report is issued. Audit recommendations that are subject to management concurrence will be recorded as accounts receivable within 30 days of being resolved. The recording of the receivable is to be accomplished even though the decision to collect is subject to administrative appeal or litigation by persons outside the agency.

b. Interest Charges. Interest on audit-related debts shall begin to accrue no later than 30 days from the date the auditee is notified of the debt. To discourage unwarranted appeals, interest shall continue to accrue while an appeal is underway. The interest rate applied shall be that prescribed by the Treasury Fiscal Requirements Manual (I TFRM 6-8000).

c. Allowance for Uncollectable Amounts. Consideration shall be given to the potential for collecting audit-related debts. An allowance account shall be established to reflect the amount of receivables estimated to be uncollectable.

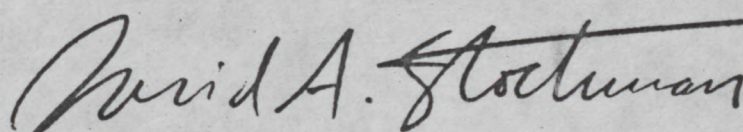
d. Payment of Debts. Procedures should be established to assure that the payment of audit-related debts does not result in charges to other Federal programs or in a reduced level of program activity.

e. Exception. There may be instances where a portion of the funds on a grant, contract, or other agreement are held back: (1) as a safeguard against overpayment; (2) pending completion, final inspection or approval of work; or (3) in accordance with other provisions of a grant or contract. In such instances, it is not necessary to record a receivable, since disallowed costs may be offset against undisbursed funds in the grant or contract audited.

12. OMB Responsibility. OMB will continue to work with agency audit followup officials and Inspectors General to ensure that the provisions of this Circular are implemented.

13. Information Contact. Inquiries should be directed to the OMB Financial Management Division at 395-3993 or to the OMB Debt Collection Staff at 395-3967.

14. Sunset Review Date. This Circular shall have an independent policy review to ascertain its effectiveness three years from the date of issue.



David A. Stockman  
Director



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



THE COMPTROLLER GENERAL  
OF THE UNITED STATES  
WASHINGTON, D.C. 20548

1982 OCT 12 AM 11:09

M-83-2

October 8, 1982

WH-36

RECEIVED  
OFFICE OF THE CHAIRMAN

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Internal Control Systems

The recently enacted Federal Managers Financial Integrity Act imposes an important new responsibility on you as an agency head. The Act requires that you report annually to the President and the Congress on how well the internal management systems of your agency are working.

The Act places certain responsibilities on the General Accounting Office and the Office of Management and Budget for the development of standards and guidelines for agency internal control systems. It requires each agency to establish control systems to provide reasonable assurance that

- obligations and costs are in accordance with applicable law;
- funds, property, and other assets are safeguarded;
- revenues and expenditures are properly recorded and accounted for.

Circular A-123, "Internal Control Systems," issued October 30, 1981, sets forth similar requirements. Since a great deal of work has been done already in the agencies to implement Circular A-123, it is intended that any additional standards or guidelines developed under the authority of the Act will build upon those in the Circular.

OMB and GAO plan to work together very closely in implementing the Act and in assuring that the momentum already built up within the agencies for improved internal control is sustained. We believe the Act presents an opportunity for a partnership effort among OMB, GAO and the operating agencies to put Government financial practices on a sound, businesslike basis.

We also believe that effective internal control systems will provide a sound foundation for much-needed management reforms. We know we can expect your support in this effort.

*Charles A. Bowsher*

Charles A. Bowsher  
Comptroller General  
of the United States

*Joseph R. Wright, Jr.*

Joseph R. Wright, Jr.  
Deputy Director  
Office of Management and Budget

*Livingston m/r*



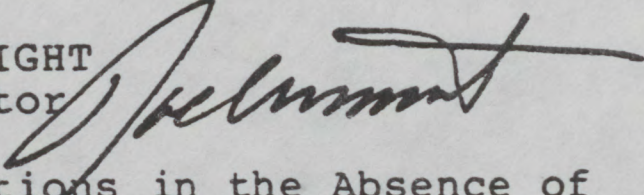
EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

WH-35

September 30, 1982

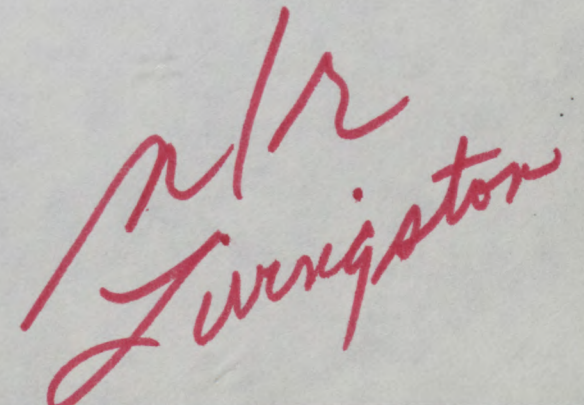
M-82-9

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: JOSEPH R. WRIGHT  
Deputy Director 

SUBJECT: Agency Operations in the Absence of  
Appropriations

1. This is to inform all heads of executive departments and agencies of the possibility that no appropriations will be available after the fiscal year expires on midnight, Thursday, September 30. Given the complexity of the Continuing Resolution now being considered by the Congress, work on a final bill may not be completed before the expiration of the fiscal year.
2. Under this circumstance, it may become necessary to put into effect your agency's contingency plan for the orderly phasedown of agency operations not authorized to be continued under the Attorney General's opinion of January 16, 1981.
3. If no appropriation applicable to your agency has been enacted as of the beginning of the day of Friday, October 1, you should begin to put into effect the contingency plan of your agency for its orderly phasedown. However, in light of possible changes in the situation, each agency should contact OMB staff who normally handle agency budget matters, before furloughing employees pursuant to the plan.
4. OMB staff, as well as the OMB Counsel's Office (395-4852) are available to assist in the resolution of issues arising in connection with an appropriations hiatus, and should be contacted with regard to major questions that cannot be determined by an agency. Questions relative to the construction of the Antideficiency Act that cannot be jointly resolved by an agency and OMB will be referred to the Office of Legal Counsel of the Department of Justice.



**Memo**

Board of Governors  
of the Federal Reserve System

Date

1/13/83

Time

9:44 AM

To

~~SUSAN~~ Sandy

From

TINA HILL

Tel. No./Ext.

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Please call        | <input type="checkbox"/> As per conversation           |
| <input checked="" type="checkbox"/> Returned your call | <input type="checkbox"/> For your information/approval |
| <input type="checkbox"/> Will call again               | <input type="checkbox"/> Note and return               |
| <input type="checkbox"/> See (phone) me re attached    | <input type="checkbox"/> For comments and suggestions  |
|  | <input type="checkbox"/> Preparation of reply          |

Message

WH-34 -- NO

RESPONSE NECESSARY

THE WHITE HOUSE  
WASHINGTON

September 22, 1982

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

1982 SEP 23 PM 1:32

RECEIVED  
OFFICE OF THE CHAIRMAN

WH-34

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

As part of our continuing commitment to help strengthen Historically Black Colleges and Universities, a commitment begun when I issued Executive Order 12320 on September 15, 1981, I am hereby directing all Federal agency heads to implement the following three policies as they continue with their efforts to comply with Executive Order 12320:

- o Wherever possible, agencies should place emphasis on the use of program funds to help improve the administrative infrastructures of Historically Black Colleges and Universities.
- o In cases where agencies project decreased funding for all higher education institutions, they should strive to increase the percentage share allocated to Historically Black Colleges and Universities.
- o Agencies should continue efforts to eliminate identified barriers to Historically Black Colleges and Universities participation in Federal programs and accelerate activities to single out policies or regulations which inhibit full participation in such programs by Historically Black Colleges and Universities.

Heads of Key Agencies Providing Federal Support for Historically Black Colleges and Universities (see attached list) shall use these policies in preparing their Annual Performance Reports, which must be submitted to the Secretary of Education after the close of the fiscal year in accordance with Section 3 of Executive Order 12320. The Secretary of Education shall use these policies in developing the Annual Federal Performance Report on Executive Agency Actions to Assist Historically Black Colleges, as required by Section 7 of the Executive Order. Heads of Key Agencies should ensure that these policies are followed in developing all other reports required by the Executive Order.

Additionally, I have directed that the White House Office of Private Sector Initiatives work in cooperation with the Department of Education's White House Initiatives staff to place special emphasis on increasing development of private sector support for Historically Black Colleges and Universities.

Daniels  
m/r

Your support for the efforts mandated by Executive Order 12320 is vital. We must all communicate clearly and sincerely through our actions our intention to preserve a measure of security for Historically Black Colleges and Universities while we work together toward developing strength through independence and institutional self-sufficiency.

Ronald Reagan



Key Agencies Providing Federal Support for Historically Black  
Colleges and Universities

Department of Agriculture  
Department of Commerce  
Department of Defense  
Department of Education  
Department of Energy  
Department of Health and Human Services  
Department of Housing and Urban Development  
Department of the Interior  
Department of Justice  
Department of Labor  
Department of State  
Department of Transportation  
Department of the Treasury  
Agency for International Development  
Appalachian Regional Commission  
Central Intelligence Agency  
Environmental Protection Agency  
Equal Employment Opportunity Commission  
International Communication Agency  
National Aeronautics and Space Administration  
National Credit Union Association  
National Endowment for the Arts  
National Endowment for the Humanities  
National Science Foundation  
Nuclear Regulatory Commission  
Small Business Administration  
Veterans Administration

WH-33

THE WHITE HOUSE  
WASHINGTON

September 11, 1982

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
1982 SEP 15 AM 9:42  
RECEIVED  
OFFICE OF THE CHAIRMAN

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Classified Defense Briefing

A classified briefing on the Soviet military threat and the U.S. response will be held for sub-cabinet officials at the White House on September 30. An earlier version of this highly regarded briefing has been given to the Cabinet, the Congress, and many former top government officials.

The briefing will be presented by the Office of the Secretary of Defense in Room 450 of the Old Executive Office Building, 17th and Pennsylvania Avenue, N.W., from 3:00 to 4:00 p.m., September 30.

In order to comply with security requirements, it will be necessary for each department and agency to submit a list of those sub-cabinet officials who will attend and a certification that they possess a Secret clearance or have been granted a one-day clearance by their respective agencies. Please submit a list of those officials who will attend, their position, security clearance (or certification of one-day clearance) by courier not later than September 23 to: Office of the Secretary of Defense for Public Affairs, Room 2E800, Pentagon.

The point of contact for this briefing is Mr. John d'Amecourt, 695-3845.

FOR THE PRESIDENT:

*Bill Clark*  
William P. Clark

*Mr. [unclear]*

DISTRIBUTION LIST

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The Attorney General  
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The Secretary of Transportation  
The Secretary of Energy  
The Secretary of Education  
The Director, International Development Cooperation Agency  
The Administrator, Agency for International Development  
The Director, Arms Control and Disarmament Agency  
The Administrator of General Services  
The Director, United States Information Agency  
The Administrator, National Aeronautics and Space Administration  
The Administrator of Veterans' Affairs  
The Director, Federal Emergency Management Agency  
The Director of Selective Service  
The Chairman of Board of Governors of the Federal Reserve System  
The Chairman, Federal Communications Commission  
The Director, National Science Foundation  
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The Director, Peace Corps  
The President and Chairman, Export-Import Bank of the United States  
The Chairman, Federal Maritime Commission  
The Chairman, Federal Trade Commission  
The President and Chief Executive Officer, Overseas Private  
Investment Corporation  
The Chairman, U.S. International Trade Commission  
The Chairman, Japan-United States Friendship Commission  
The Chairman, National Advisory Committee on Oceans and Atmosphere  
The Chairman, Nuclear Regulatory Commission  
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