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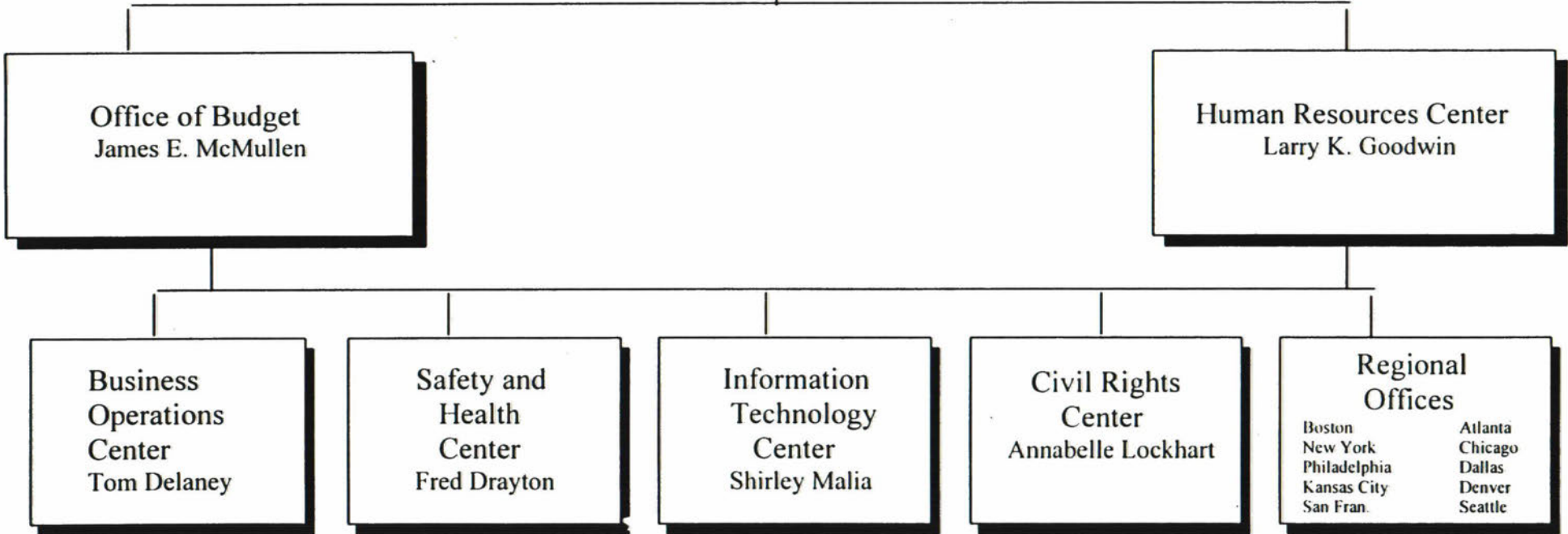
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Divider Title: _____ **E**

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION AND MANAGEMENT

Assistant Secretary
Patricia W. Lattimore (Acting)

Deputy Assistant Secretary
Thomas K. Delaney (Acting)



OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION AND MANAGEMENT

MISSION STATEMENT

The Office of the Assistant Secretary for Administration and Management (OASAM) provides timely, high quality, and proactive management and administrative services to program agencies within the Department. OASAM serves as the principal advisor to the Secretary on all budget, administrative, and management matters and is responsible for directing the development, implementation, review and evaluation of Department-wide administrative and management systems, policies, and programs.

OASAM carries out its mission through sub-offices which are organized along functional lines. These offices include the Office of Budget, the Human Resource Center, the Information and Technology Center, the Civil Rights Center, the Business Operations Center (finance, procurement, and administrative programs), and OASAM regional offices.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$13,916	0	114
1998	\$14,443	0	114

**OFFICE OF THE ASSISTANT SECRETARY
FOR ADMINISTRATION AND MANAGEMENT**

MAJOR POLICY INITIATIVES

Implementation of the Government Performance and Results Act

The Government Performance and Results Act (GPRA) requires Federal agencies to develop strategic plans, annual performance plans and reports which include performance goals and measures/indicators for evaluating the effectiveness of each program or activity. Implementation of GPRA in the Department is a major initiative in OASAM. OASAM will continue to integrate the requirements of GPRA into the existing internal decision-making and budget process for DOL (i.e.; the requirements for strategic planning, performance plans and reporting). In carrying out this initiative, OASAM will provide guidance and assistance to the agencies in developing strategic plans covering six years (base year plus five). OASAM will prepare the Departmental Strategic Plan Summary in cooperation with the Office of Policy which is due at OMB in August, 1997.

In addition to strategic plans, the agencies are also required to establish performance plans which set specific performance goals for a fiscal year. Performance indicators are required to assess the relevant outputs, service levels, or outcomes. OASAM will provide guidance to the agencies on preparing performance plans with relevant results-oriented measures, compile a Department-wide Performance Plan and establish a system for periodically monitoring the agencies progress in meeting its performance goals.

Implementation of ITMRA—Chief Information Officer

The Information Technology Management Reform Act of 1996 (ITMRA) requires interagency coordination and sharing of expertise and costs, to emphasize performance and results-based measurements, and to require Capital Planning and Investment Control for Information Technology. The Secretary designated the Assistant Secretary of Administration and Management as the Chief Information Officer (CIO) responsible for administering ITMRA at DOL. DOL has implemented the capital planning and investment control requirements of the ITMRA by establishing a Capital Planning and Investment Board to evaluate the standardization of IT architecture, improve IT management in DOL, and implement funding controls using a return on investment criteria for approval.

CIO issues in the next year include: (1) determining the appropriate level of commonality of Agency architectures or IT resources to be attained for maximum efficiencies in DOL's IT environment; (2) determining a method for calculating a baseline of realistic IT costs; (3) obtaining Departmental understanding and acceptance of the comprehensive scope of the Paperwork Reduction Act to achieve compliance with the PRA.

New Personnel Payroll System

OASAM is responsible for the Department's personnel system, which is slated for replacement by our service provider (Air Force) within the next few years. OASAM is evaluating a move to an integrated personnel/payroll system for the Department in an effort to improve service delivery and to reduce the time and effort currently associated with interfacing the separate personnel and payroll systems.

OASAM is working with the programmatic agencies and the CFO, who is responsible for the DOL payroll system, to study and evaluate the available personnel/payroll system options. These options include modernizing portions of the current payroll system at the same time we adopt a new personnel system, adopting a fully integrated personnel/payroll system, utilizing commercially developed solutions as opposed to another federal agency's software, etc. A new system providing greater integration of the personnel/payroll systems functions for the Department, must be selected no later than March 1997, in order for OASAM and the CFO to begin the conversion process from the current system(s) to the system that is selected by the second half of the fiscal year.

OTHER INITIATIVES

Adjudicatory Organizations Review

The final phase and decision point of a review of three adjudicatory organization is nearing completion. The review included staff and the Chairpersons of the Administrative Appeals Board, Benefits Review Board and the Employee Compensations Appeals Board. The focus of the review was to "determine options to increase the efficiency of the programmatic and administrative operations of the organizations" and to identify any "economies of scale" which could be attained through consolidation.

As an outgrowth of the discussions, the draft proposal, which is awaiting final approval of the Board Chairpersons and the Deputy Secretary the team outlined a plan to consolidate administrative service and resource management functions and institute a position of a Managing Partner or Agent. The incumbent in this position, selected from among the staff of the participating organizations would serve as the focal point to negotiate, broker and assist in implementing changes in case processing methods, staff cross training, staff realignments, career management initiatives, organizational development, coordination of reporting and the continuing review of options for consolidating resources while maintaining the statutory autonomy required for each Board.

Key to the successful implementation of the proposal is the liaison with the Deputy Secretary which will necessitate continuing dialog among the Board Chairpersons and more direct elevation of their mutual concerns at the Departmental level.

It is anticipated that following finalization of the proposal, and pending approval by the Deputy Secretary, the Boards will move to consolidate administrative service functions and selection for

this Managing Partner position will be completed .

Career Assistance Centers

OASAM's Human Resources Center has established Career Assistance Centers in the National Office and in the regions which provide career counseling, access to job search tools, job lead development, career assistance workshops, and continuous learning opportunities for improving skills. OASAM has also developed a DOL Internet World Wide Web Site which provides online information to employees facing separation through downsizing or employees needing career transition assistance. OASAM signed a Memorandum of Understanding in October with the Office of Personnel Management to support DOL's career assistance services. An important OASAM initiative in FY 97 is marketing OASAM's Career Assistance Services to other federal agencies.

Labor Management Relations

On behalf of the Department, OASAM has just negotiated and signed a new collective bargaining agreement with the National Council of Field Labor Locals (NCFL) covering field employees. The agreement is effective for four years. The Department is working to improve its partnership with Local 12, which represents National Office employees, and to reach agreement on several issues including flexiplace and transit subsidies.

Civil Rights Center

OASAM's Civil Rights Center (CRC) is responsible for civil rights enforcement at DOL. The CRC has begun an Early Resolution of EEO Complaints (EREC) mediation program which will be expanded to each of DOL's regions this year. The mediation program permits all employees to elect mediation as an option in the informal complaint process. Early results from the initial program, in the national office and two regions, indicates that for employees electing mediation, fewer formal complaints are filed, thereby saving DOL resources.

Disability Initiative

The Disability Initiative is an OASAM program designed to review and provide guidance to the DOL agencies to ensure that the Department's policies, internal programs, and job training activities are accessible and usable to the Nation's citizens with disabilities. The Department's agencies will meet with the Consortia of Citizens with Disabilities in January to present new programs and receive guidance.

Office of Safety and Health

OASAM's Office of Safety and Health is working in a cooperative effort with ETA/Job Corps and OSHA to reinvent and strengthen the safety and health program at Job Corps Centers. The plan to implement this initiative will be completed by January 1, 1997.

INTERNAL LABOR-MANAGEMENT RELATIONS, WINTER 1996

WHO'S WHO IN DOL LABOR-MANAGEMENT RELATIONS (LMR)

A. National Council of Field Labor Locals (NCFLL), American Federation of Government Employees (AFGE), AFL-CIO

Background

- NCFLL represents approximately 7,300 employees outside Washington metropolitan area
- approximately 4,500 are union members

- Union led by Jesse Rios, President, and Ron Yarmon, Executive Vice President
- Executive Committee, Officers and V. Presidents (11 in all) elected to four-year terms
- Jesse Rios reelected in April 1993 to fifth term as President; initially elected in April 1981
- Jesse Rios has had longstanding involvement with the labor movement:
 - * President of AFGE Local 648 since 1977; joined Department in 1975 as OSHA inspector; previously worked for Illinois Department of Labor in occupational safety and health area, and in General Motors plant, where he served as Union steward.

- Jesse operates out of Chicago and has been active in local politics and with local, state and national organizations:
 - * Sgt. at Arms for the Chicago Federation of Labor; National Executive Board Member of Labor Council for Latin American Advancement; Founder and Charter Member of Hispanic American Labor Council of Chicago; prior Member of Illinois State Board of Education (appointed by Governor); labor representative on National Advisory Council on the Public Service (appointed by the President).
- Jesse is dynamic labor leader and in firm control of the NCFLL.

Key Issues/Accomplishments

- DOL's relationship with NCFLL extremely cooperative; partnership nurtured for several years; leadership deals with issues and not personalities and is pragmatic.
- in 1991, DOL and NCFLL negotiated 5-year collective bargaining agreement using interest-based bargaining in lieu of traditional approach; among Federal agencies, DOL and NCFLL were pioneers in this effort.
- in 1995, Vice President Gore bestowed on Department and NCFLL the National Partnership Award in recognition for partnership under E.O. 12871, including seven Hammer Awards for Reinvention initiatives, Labor-Management Committees, and Quality Program.
- recently DOL and NCFLL opened their contract and renegotiated a new, 4-year Collective Bargaining Agreement to take effect February 1, 1997.

B. Local 12, American Federation of Government Employees (AFGE), AFL-CIO

Background

- Local 12 represents approximately 3,500 employees in Washington D.C. metropolitan area
- approximately 1,200 are union members
- In late Summer 1994, AFGE placed Local 12 under Trusteeship; AFGE National President John Sturdivant named Trustee and all Local officers removed; Trusteeship lifted in January 1996, and new slate of officers installed.
- New Local 12 President is Russ Binion, who in fact is not "new"; Russ previously served as Local 12 President for approximately 10 years during 1970s; was defeated for Office in early 1980s, and has not held any Local position in the interim.
- Local 12 headed by Executive Board comprised of President, 5 Officers and 9 Agency Vice Presidents; elected to two-year terms.
- Department's relationship with Local 12 over the years mixed; prior to trusteeship, DOL was working cooperatively with Local's leadership, which had stabilized after long history of internal schisms, including an AFGE trusteeship in the early 1980s.
- In 1992, a new three-year collective bargaining agreement went into effect, having been negotiated using the interest-based technique.

Key Issues

- Department is working to reestablish cooperative, partnership relationship with new Union leadership; initiative currently underway to define the partnership and how it should operate on day-to-day basis; hope to have this accomplished by end of second quarter of FY 1997.

Administration

- Under collective bargaining agreements with NCFLL and Local 12, total of 14 Union officials on 100 percent official time; salaries are paid out of a Working Capital Fund Account, with all DOL Agencies contributing pro rata amount based on number of bargaining unit employees in their respective agencies.

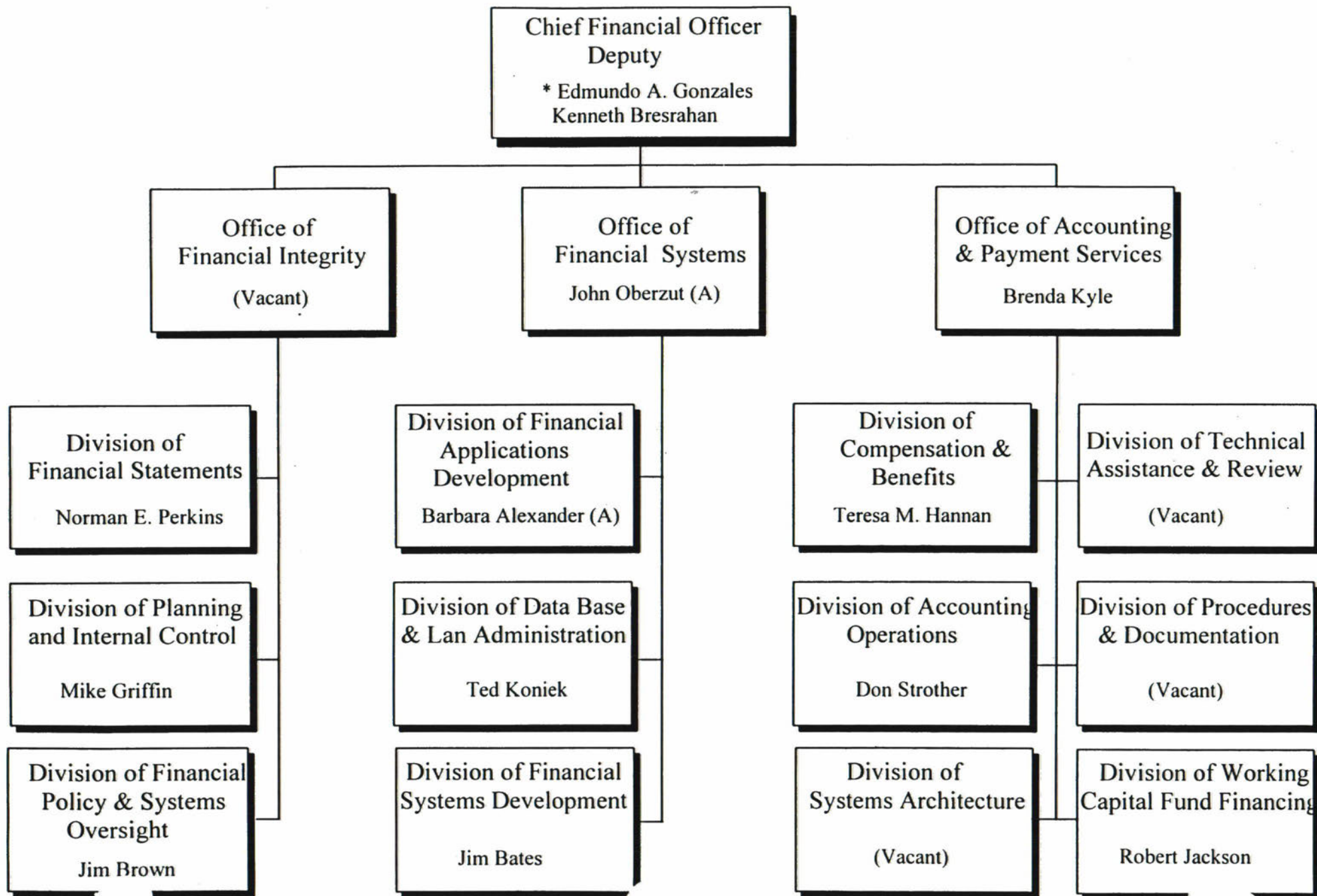
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OFFICE OF THE CHIEF FINANCIAL OFFICER



NOTE: Political Appointees

OFFICE OF THE CHIEF FINANCIAL OFFICER

MISSION STATEMENT

The Office of the Chief Financial Officer (OCFO) demonstrates a commitment to customer-driven quality and continuous service improvements, through the use of technical expertise and financial systems. As DOL agencies continue to reinvent their operations to better serve the taxpayers, they must employ staff, use contract support, issue grants, and make direct payments to the public. The OCFO provides the framework for financial management, central payroll, accounting and reporting operations, and the Department's accounting systems.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$4,399	0	41
1998	\$5,528	0	46

CHIEF FINANCIAL OFFICER

Background:

The CFO concentrates on providing high integrity financial information on DOL's financial status. The two areas of concentration in carrying out the CFO's duties are:

- Stewardship of the Department's financial management personnel, and
- The development and implementation of the financial systems.

DOL is viewed as a leader in the Federal government's financial management community, because of the Success of its central automated and integrated administrative accounting system called DOLAR\$. The CFO's next focus is to improve the different program "feeder accounting systems" to DOLAR\$ and DOL's Payroll system, also operated by the CFO.

The Inspector General is DOL's auditing agent, and has found that DOL's Financial Statements are clean for those items over which DOL has control. The annual audit surfaces areas for improvement and these audit results serve as a prime area for CFO and program agency improvement activities. As the Department's first CFO, Edmundo Gonzales has lead his organization through a transition characterized in the organization's strategic plan as "The Office of the Chief Financial - - Moving from Comptroller to CFO." The CFO reports directly to the Secretary and the Deputy and is considered their primary financial advisor.

Top Issues

Major Policy/Program Initiatives

▶ Government Performance Measures

The Government Performance and Results Act (GPRA) stipulates that federal agencies develop strategic plans, annual performance plans and reports that include outcome related goals and objectives for each major departmental function by September 30, 1997. Each agency must establish performance indicators to be used in measuring the internal output indicators, service levels, and customer related outcomes of each program activity. Performance reports, reviewing the success of achieving the performance goals may be submitted by the agency head in the annual financial statement by March 31, 2000.

CHIEF FINANCIAL OFFICER

The Department of Labor agencies are developing realistic and relevant outcome related goals and objectives. This process is one of step-by-step improvement with the requirement of coordinating with key stakeholders including Congressional and OMB staff members. The current program and central Departmental accounting systems (DOLAR\$) will need to be modified in the near future to accommodate financial performance tracking and reporting. A strength is the flexibility in the DOLAR\$ system to track program costs.

▶ **Financial Management System Improvements**

The Federal Financial Management Improvement Act of 1996 (Brown Bill) requires that the Inspector General audit agency financial management systems and report deficiencies. The agency head will make a separate determination on system compliance and if necessary, develop a remediation plan.

It is expected that some of the Department's financial management systems will be found deficient and remedial steps may involve significant cost and effort. The first audit report will be for fiscal year 1997 and the Secretary must make a systems compliance determination and/or remediation plan 120 days later. The Department has approximately one year to plan corrective action prior to the Inspector General audit.

▶ **Agency Program Accounting Systems**

Some of the Agency program accounting systems, which feed financial data to our Departmental Accounting system (DOLARS), are not compliant with OMB Standard General Ledger requirements. The CFO, working with the Agency heads, will develop a comprehensive remediation plan for agency program accounting systems which may require potentially significant resources to implement.

Hot Issues

▶ **Delegations of Authority to the Chief Financial Officer**

The Chief Financial Officers Act of 1990 was never fully implemented in the Department. This deficiency has been repeatedly noted by the Inspector General. A CFO organizational plan, required by OMB has never been formally approved. The Department's appropriation for FY 1996 includes a provision that no funds be expended by the Department without CFO approval after January of 1997.

CHIEF FINANCIAL OFFICER

The specific impetus for action is the legislative language in the Department's FY 1997 appropriation. It responds to Inspector General criticisms and OMB concern about the unresolved issue of the CFO organization within the Department of Labor.

The CFO and the OASAM developed modifications to the Department's manuals and procedures which propose a CFO organizational plan and delegation of authority from the Secretary to the CFO. This plan has received preliminary acceptance by the Congress, OMB and the Inspector General. Secretary Reich signed an order adopting the proposed plan pending final approval.

OTHER ISSUES

▶ New Payroll Personnel System

The Department's personnel system, administered by OASAM, will have to be replaced within the next few years since the system will no longer be supported by GSA, our cross service provider. Led by the CFO and OASAM, a steering committee has been formed with the major user agencies to reach a determination on the procurement of the new payroll personnel system.

There is a major push from the Congress and the OMB for Departments to cross service routine government administrative transactions. This is linked with the objective of avoiding proprietary or internally developed automated system in favor of standard commercial of-the-shelf software whenever possible. With approval from the OMB, the CFO plans to partner with either a commercial or federal personnel system developer to significantly modernize the existing payroll system and improve system integration with the personnel and accounting systems that will provide superior service for Departmental employees well into the next century.

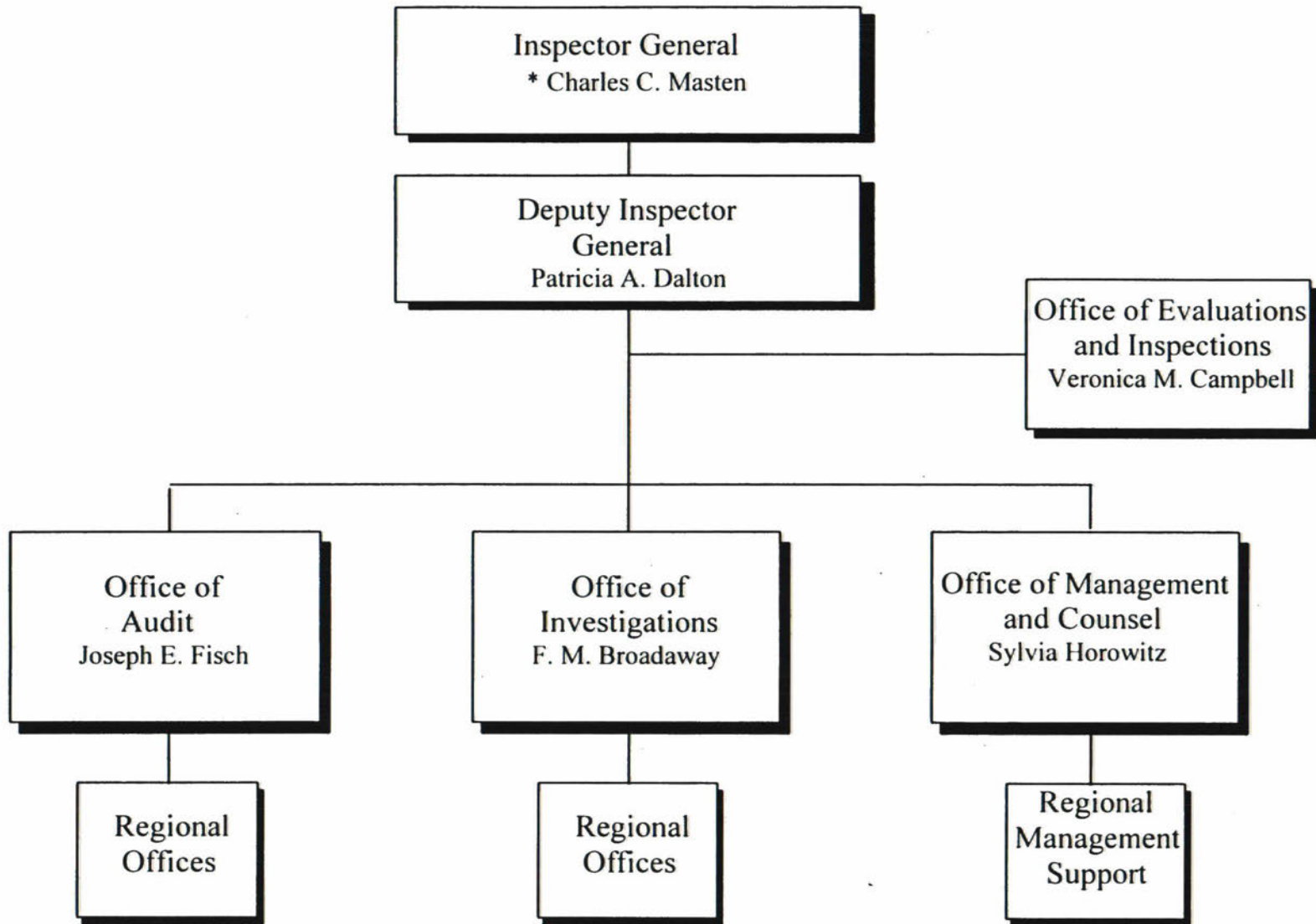
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OFFICE OF INSPECTOR GENERAL



NOTE: * Political Appointees

OFFICE OF INSPECTOR GENERAL

MISSION STATEMENT

The Office of Inspector General (OIG) serves the American worker and taxpayer by conducting audits, investigations, and evaluations that result in improvements in the effectiveness, efficiency, and economy of Departmental programs and operations; detecting and preventing fraud and abuse in DOL programs and labor racketeering in the American workplace; and providing recommendations and information to the Secretary and the Congress on how to attain the highest possible program performance.

The OIG administers provisions of the Inspector General's Act for the Department of Labor. Through an independent, comprehensive program of audits and investigations, the Office focuses on the efficiency and effectiveness of the Department's programs and preventing or detecting fraud, waste and abuse.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$46,981	0	470
1998	\$53,580	0	470

OFFICE OF INSPECTOR GENERAL

MAJOR POLICY/PROGRAM INITIATIVES

WORKFORCE PROTECTIONS: The OIG is focusing its efforts on conducting audits and investigations that help to further the Government's efforts to protect American worker's jobs and benefits.

- A. Protecting Pension Assets:** The OIG is conducting substantial criminal investigations into abuses of union pension funds. The OIG investigations, which involve some \$200 million in pension assets, have identified major abuses by union officials, plan administrators, and service providers. These investigations will support the U.S. Attorney General's new initiative to combat abuses of pension assets.

- B. Effectiveness/Abuses of the Department's Foreign Labor Certification Programs:**
 - 1. The OIG is auditing the Department's administration of the H-2A program, in particular the recruitment and certification processes, as well as the impact of the program on domestic workers.
 - 2. The OIG is conducting investigations into abuses of the alien labor certification process by legal and illegal aliens, employers, and/or attorneys.

- C. Analysis of Unemployment Insurance Data to Identify Improper Payments:** The OIG is conducting an audit to identify (by reviewing wage and claim files) individuals receiving improper payments and their related employers. Many instances have been identified where invalid social security numbers have been used to obtain benefits or where illegal aliens are receiving benefits. As part of the audit, the OIG is also evaluating states' vulnerability to such abuse in order to provide recommendations for corrective action.

- D. Utilization of Illegal Workforce by Employers:** The OIG is devoting significant resources in this area with respect to various DOL programs and how utilization of illegal workers in union shops undermines collective bargaining agreements. Some of our initiatives include:
 - 1. Investigations in support of the Department's enforcement efforts that target abuses in various industries including the garment, construction, hotel/restaurant, and service industries.
 - 2. Investigations of abuses in the Migrant and Seasonal Farmworker Program.

HEALTH CARE INITIATIVES: The OIG is continuing to focus great effort to identify and combat fraud in health care programs under our jurisdiction. The OIG expects to aggressively use the investigative tools provided by the recently-enacted Health Coverage Availability and Affordability Act of 1996 to continue our work in this area. These tools include the new substantive criminal offenses, the authority to investigate and initiate Civil Monetary Penalty actions, and the stronger injunctive relief provisions. Our on-going work and initiatives in the health care arena focus on:

- A. Medical Provider Fraud:** The OIG is conducting audits and investigations to identify fraud by medical providers (doctors and allied health professionals) in which the Government is overbilled or billed for services not provided under the Federal Employees' Compensation Act (FECA), Black Lung, and Longshore Programs.
- B. Claimant Fraud:** The OIG is conducting investigations to identify fraudulent claims by beneficiaries of the FECA, Black Lung and Longshore Programs.
- C. Bogus Labor Unions:** The OIG continues its efforts to identify and combat bogus labor unions that are set up for the sole purpose of selling fraudulent health insurance.
- D. Cost Containment:** The OIG is providing technical assistance to the Postal Inspections Service for its review of medical cost containment in the FECA Program.

LABOR RIGHTS ENFORCEMENT: The OIG will carry-out the following activities as part of its efforts to improve the Government's effectiveness in ensuring adequate employment standards.

- A. Audit of Davis-Bacon Prevailing Wage:** The OIG is completing an audit to determine the adequacy of procedures Wage and Hour uses to validate data used to establish prevailing wages; the accuracy of such data; and if there are better sources of data that may be employed.
- B. Audit of Wage and Hour Backwage Collection:** The OIG is conducting an audit to review the processes and procedures for recovering and distributing to employees funds (backwages) recovered as a result of Wage and Hour's enforcement efforts.
- C. Participation in the Attorney General's Task Force on Eliminating Sweatshops:** The OIG is participating in this task force, which seeks to identify and target areas needing increased enforcement of labor laws and to improve the prosecution of sweatshop-related violations.

HOT ISSUES

The OIG's workproducts or concerns with respect to the following issues of program areas may require the Secretary's attention early in 1997.

- 1) **The Selling of Unemployment Insurance Wage Records:** The OIG is extremely concerned with a Program Letter, issued by DOL's Unemployment Insurance Service, that essentially permits the disclosure of wage records, if state law permits such disclosure and if certain conditions related to employee consent, confidentiality, and fees are satisfied.

The Program Letter creates a major exception to the longtime policy of confidentiality of UI wage records and establishes a precedent which would permit the sale of wage records to practically any private or commercial entity or individual for virtually any purpose.

In addition to raising this as a significant concern in the OIG Semiannual Report to the Congress, the OIG will conduct an audit of a contract between the State of Iowa and a private entity that allows the entity to obtain, for a fee, access to state UI wage reporting records for the purpose of consumer credit verification. The audit essentially seeks to determine if the release of such UI information is legal under state law, if the consent/privacy protection procedures are adequate, and if there is illegal augmentation of appropriations by the fee.

- 2) **Pension Asset Abuses:** OIG investigations that have identified major abuses of pension assets by union officials, plan administrators, and service providers will come to fruition. These investigations will support a broader initiative by the U.S. Attorney General to combat abuses of pension assets.
- 3) **Davis-Bacon Prevailing Wage Audit:** This audit, which seeks to determine the adequacy of procedures Wage and Hour uses to validate data used to establish prevailing wages; the accuracy of such data; and if there are better sources of data that may be employed, is being conducted as a result of a congressional request. Therefore, we expect that our final report will receive wide congressional attention.
- 4) **Mine Safety and Health Administration (MSHA) Operations:** The OIG is conducting a review of MSHA's administrative operations, as a result of a congressional request to the Secretary that was referred to the OIG.
- 5) **Fair Labor Standards Act Enforcement:** At the request of the House Appropriations Committee, the OIG is examining how the Wage and Hour Division selects employers for investigation and how decisions are made concerning the amount of time and resources that are devoted to individual investigations.

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OFFICE OF SMALL BUSINESS PROGRAMS

Mission

The Office of Small Business Programs (OSBP):

Administers the Department of Labor's (DOL) responsibilities under the Small Business Act, as amended, and related mandates, to promote procurement opportunities for small, small disadvantaged, small women-owned businesses, and minority colleges and universities.

Under the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), serves as DOL's clearinghouse for compliance guides and central referral point for providing regulatory enforcement compliance assistance to small businesses, and monitors the agencies' activities.

Administers DOL's programs for minority colleges and universities, pursuant to Executive Orders 12876, 12900, and related directives.

Provides administrative oversight of DOL's advisory committees and similar committees and agreements to ensure compliance with the Federal Advisory Committee Act and related laws.

Major Programs

Small and Disadvantaged Business Utilization--Promotes increased participation of small businesses and minority colleges and universities in DOL contract and grant activities through outreach to communicate DOL's procurement needs and procedures and increase availability of qualified providers; training of DOL staff on program requirements and capabilities; and development and reporting of plans, evaluations, and results.

Small Business Compliance Assistance--DOL's clearinghouse and central repository for compliance guides; central referral point for small businesses regarding the DOL's small entity compliance programs; monitors agency activities regarding meeting SBREFA obligations; provides appropriate consultation to OSHA in convening review panels for proposed rules requiring initial regulatory flexibility analysis; and works with OASP in developing the report to Congress (3/28/98) on the Department's small entity guidance programs. The Director of OSBP serves as the Department's liaison to the Small Business and Agriculture Ombudsman.

Minority Colleges and Universities--Promotes efforts to increase the involvement in DOL's programs (including procurement) of Historically Black Colleges and Universities (HBCUs) and Hispanic and other minority-serving colleges and universities. The office also develops departmental policy, establishes program plans, and monitors and reports on results achieved.

Advisory Committees (and related committees and agreements)--Provides administrative oversight and guidance on DOL advisory committees (including negotiated rulemaking

committees) to ensure that relevant requirements are met.

Accomplishments

Small and Disadvantaged Business Utilization

With agencies and SBA, established DOL procurement goals for FY 1996. Monitored progress, promoted and achieved consideration of qualified providers.

Collaborated with OASP in developing and launching DOL's Internet Home Page and provided comprehensive information on the Home Page for use by small businesses and others.

Served as DOL's Women-Owned Business Advocate (part of SBA's Women-Owned Business Procurement Pilot Program), and supported the Women's Bureau Director in the White-House initiative involving the National Women's Business Council and the Interagency Committee on Women's Business Enterprise.

Small Business Compliance Assistance

Established OSBP program to implement responsibilities under SBREFA:

Notified agencies of OSBP's role and obtained designated agency contacts.

Developed a User's Guide to SBREFA and Related Laws and a DOL Fact Sheet on key points for small businesses regarding SBREFA.

Conducted an orientation seminar on SBREFA for agency contacts; established and communicated a framework for monitoring agencies' implementation of SBREFA.

Convened a workgroup to design DOL-wide tracking system for inquiries and related matters.

Began inventory of agencies' compliance assistance materials for clearinghouse.

Established contact with the SBA's Small Business and Agriculture Ombudsman.

Consulted with OSHA on its SBREFA review panels for developing tuberculosis standard.

Minority Colleges and Universities

Continued implementation of Memoranda of Understanding with HBCUs/NAFEO and the Hispanic Association of Colleges and Universities (HACU). Agencies donated micro-computers to their member institutions and hired summer interns.

Supported ETA in a technical assistance conference at Clark Atlanta University for 19 HBCUs.

Six HBCUs participated in grants totaling \$600,000 awarded late in FY 1995. For the first time, ETA research grants totaling \$500,000 were awarded in FY 1996 to five HACU member institutions.

Collaborated with ETA in development of a Roundtable of Hispanic academic/community organization leaders on employment needs of Hispanic youth.

Supported Third Annual DOL HBCU Alumni Luncheon, attended by 200-plus.

Advisory Committees

Developed/provided training to DOL staff on negotiated rulemaking.

Worked closely with the White House Liaison, SOL, OMB, and GSA on DOL advisory committee issues.

Continued to provide support to former Secretary of Labor John T. Dunlop and others on follow-up issues for the Commission on the Future of Worker-Management Relations.

Future Goals and Activities - Fiscal Years 1997 and 1998:

Small and Disadvantaged Business Utilization

Goal: Increase outreach regarding DOL procurement opportunities.

Outcome: Produce a Procurement Forecast for Internet and hard copy distribution (tie-in with the Small Business Administration's government-wide listing of procurement opportunities). Expand solicitation mailing lists and increase participation in conferences and expos.

Goal: Increase procurement opportunities for qualified small businesses in DOL.

Outcomes: Develop strategies with ETA to increase small business involvement in that agency's procurements through a variety of initiatives.

Update/revise Chapter 1000 of the DOL Manual Series to facilitate meaningful review of planned procurements DOL-wide and identification of appropriate opportunities for small businesses.

Work with agencies to provide incentives to offerors who plan to substantially subcontract with small businesses.

Train regional office procurement personnel on small business procurement programs.

Small Business Compliance Assistance

Goal: Meet OSBP responsibility as DOL's clearinghouse and central referral point for small businesses seeking regulatory compliance assistance under SBREFA.

Outcomes: Establish a user friendly inventory of DOL compliance assistance materials.

Create and use a database of small business associations and groups for compliance assistance outreach.

Establish a small business regulatory compliance assistance section on the Department's Internet homepage tying together DOL-wide compliance assistance materials.

Goal: Assist DOL agencies in meeting their SBREFA obligations.

Outcomes: Publish a User's Guide for DOL personnel detailing SBREFA requirements.

Coordinate with DOL agencies on SBREFA program:

Establishment of inquiry/complaint tracking systems.

Establishment of penalty/waiver reduction program and the tracking of penalty reduction/waiver dollar amounts

Monitor agencies' activities regarding implementation of SBREFA.

Coordinate with the Office of the Assistant Secretary for Policy in the development of the DOL report to Congress (due 3/98) on SBREFA.

Goal: Establish effective liaison with the Small Business and Agriculture Ombudsman.

Outcomes: Provide to Ombudsman (and SBA Regional Fairness Boards) information on DOL programs and enforcement policies.

Identify, through the agencies, appropriate regional contacts for Regional Fairness Boards.

Develop and implement efficient and responsive communications process for handling general and specific complaints.

Minority Colleges and Universities

Goal: Increase meaningful interaction with HBCUs and Hispanic colleges and universities through continued implementation of the Memorandum of Understanding with each group, and provide assistance and outreach to Tribal and other minority colleges and universities.

Outcomes: Assistance to HBCUs in FY 1997 of over \$3M in the form of contracts, grants, internships, equipment donations, and other interaction.

Outreach to HBCUs, Hispanic, Tribal and other minority-serving institutions through the Internet, distribution of hard copy materials, and conduct, and participation in technical assistance conferences.

Explore with ETA and the Department of Housing and Urban Development and others the feasibility of coordinated efforts on community development projects to involve minority colleges and universities.

Advisory Committees

Goal: Ensure that legal and administrative requirements are met by DOL advisory, negotiated rulemaking, and similar committees.

Outcome: Agencies receive needed comprehensive and timely services in the establishment, conduct, and completion of committee activities.

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Divider Title: _____ **8**

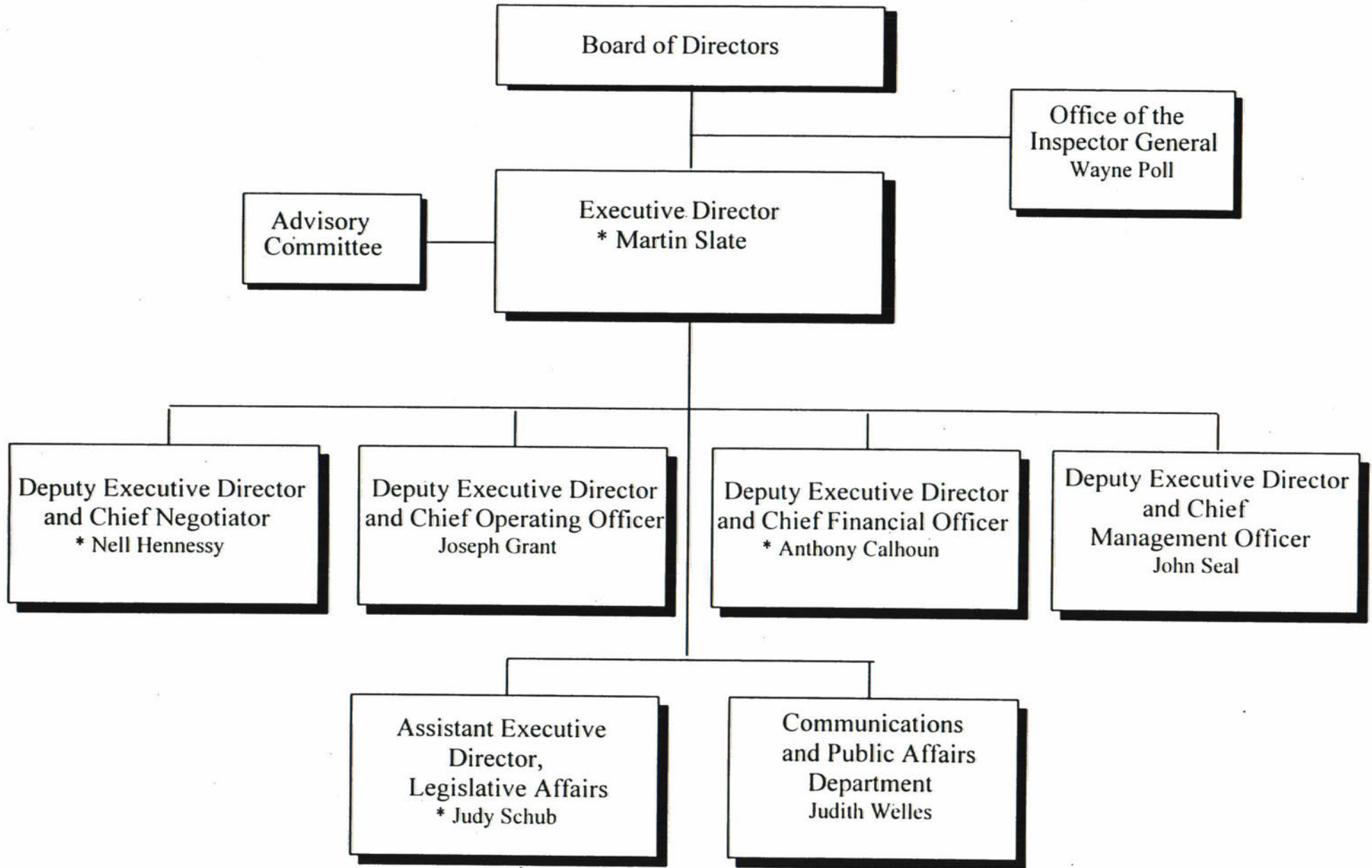
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Divider Title: _____ **A**

PENSION BENEFIT GUARANTEE CORPORATION



PENSION BENEFIT GUARANTY CORPORATION

MISSION STATEMENT

The Pension Benefit Guaranty Corporation (PBGC) operates as a service-oriented agency that protects participants' benefits and supports a healthy retirement plan system by encouraging the continuation and maintenance of private pension plans; protecting pension benefits in ongoing plans; providing timely payments of benefits in the case of terminated pension plans; and, making the maximum use of resources and maintaining premiums and operating costs at the lowest levels consistent with statutory responsibilities.

PBGC administers a guaranteed retirement pension system that provides an uninterrupted pension income to eligible participants of pension plans in PBGC trusteeship.

BUDGET

(dollars in thousands)

FISCAL YEAR	DISCRETIONARY \$	MANDATORY \$	FTE
1997	\$10,345	\$125,375	731
1998	\$12,449	\$136,334	731

PENSION BENEFIT GUARANTY CORPORATION

1. MAJOR POLICY/PROGRAM INITIATIVES

Single Employer plans

In 1993, PBGC faced a deficit of almost \$3 billion and growing pension underfunding. Both the General Accounting Office and the Office of Management Budget had assigned PBGC to their "high risk" lists. Many of these issues have now been resolved, mainly because of an Administration initiative, the Retirement Protection Act of 1994. The law strengthens pension funding requirements, increases the PBGC premium for underfunded plans, requires disclosure of underfunding to workers and retirees, and enhances PBGC's enforcement authority.

When the books for the 1996 fiscal year are closed, PBGC anticipates reporting a surplus for the first time ever. Over 4 million participants have received notices of plan underfunding. The enforcement provisions of the law have been pivotal to PBGC's compliance program. GAO and OMB have removed PBGC from their "high risk" lists, citing the new law and improved management. However, pension underfunding has fluctuated. It went down from \$71 billion in 1993 to \$31 billion in 1994 and back up to about \$64 billion in 1995. As detailed under Item 2 in Hot Issues, these changes are due to year-end dramatic shifts in interest rates. The 1995 figure was recently released.

Multiemployer Plans

The multiemployer insurance program has been increasingly sound since 1980. Our latest report showed a surplus of \$192 million. PBGC benefit guarantee levels are modest: the maximum guarantee is \$5,870 annually, which provides full benefit protection to only 1% of workers in failed plans. Last April, the President proposed increasing the maximum guarantee to \$12,870. This would fully protect 75% of all workers while the PBGC balance sheet remains sound. The proposal did not pass the Congress.

A retirement bill that Senator Daschle expects to introduce in January is expected to include the increased guarantee (see Hot Issue Item 4).

Early Warning Program

The centerpiece of PBGC's enforcement efforts is the Early Warning Program. PBGC monitors 550 companies with pension plans that are underfunded by \$25 million or more. When PBGC identifies a corporate transaction that might jeopardize pension benefits, PBGC steps in and negotiates protections. PBGC has negotiated more than 40 agreements that have provided over \$14.5 billion in new pension contributions for more than 1.3 million workers and retirees.

PBGC informs the Board of Directors of all major cases and seeks the Board's approval in the most significant ones. We do not expect any large cases at the end of the year, but the new Secretary should be aware that we are in ongoing discussions with Westinghouse, which is splitting off its media divisions from its manufacturing entities. The pensions of the manufacturing entities are underfunded by more than \$2 billion and we are reviewing whether the exit of the media divisions will jeopardize these pensions.

Decline of Defined Benefit Pension Plans.

The number of PBGC-insured defined benefit plans has decreased from 112,000 in 1985 to less than 55,000. Most of the drop has been in smaller and middle size plans. This is a special concern as evidence increases as to the inadequacy of retirement income.

We have begun an analysis of the reasons for the decline. It is too early to draw conclusions, but we expect to undertake education for business and workers on the advantages of defined benefit plans and may propose legislation. Any legislation would require changes in the tax rules and would be coordinated with the Treasury Department.

Benefit Payments.

As noted, at the end of 1995, PBGC was responsible for the benefits of 392,000 people. We expect this number to increase to over 500,000 by the end of 1997. PBGC has undertaken a number of initiatives to service these pensioners -- streamlined processing, a Customer Service Center, on-site meetings for workers in large companies. These efforts will continue, but the new Secretary should be aware that there will be resource pressures on the agency as we provide services.

2) HOT ISSUES

Annual Report in March Will Show a Surplus.

In January, the Secretary will be asked to review PBGC's Annual Report, to be published in March, which will announce the agency's first surplus ever in its single-employer program, perhaps as much as \$800 million. PBGC will have over \$12 billion in assets to pay \$11.2 billion in benefits in plans that have failed or are likely to fail in the near future. PBGC's Board of Directors approves the Annual Report and this may provide the new Secretary with an opportunity to cite the improvement of the pension insurance system.

At the same time, employers will cite the surplus in an effort to lower PBGC premiums. PBGC's premiums are its lifeblood -- and we must assure our continued ability to pay benefits in failed plans.

Growth in Underfunding.

PBGC recently announced that underfunding in single-employer plans rose from \$31 billion at the end of 1994 to \$64 billion at the end of 1995. This is due primarily to an unprecedented decline in interest rates in December of 1995, which inflated liabilities. Underfunding is measured by the amount of benefit liabilities less assets. The cost of liabilities depends on interest rates -- the lower the rate, the more it costs to pay for a quantum of benefits. The December 1994 rate was 7.15%; the December 1995 rate dropped to 5.3%. This meant that liabilities for 1995 went up by 27%, outpacing asset growth.

This is a snapshot figure resulting from an unusual dip in interest rates in December, 1995, but questions could be raised about the stability of the pension system. It is our view that legislative changes are not needed. Most pensions (two-thirds of all pensions) are well-funded, many underfunded pensions are sponsored by healthy employers, and the Retirement Protection Act of 1994 provides a long-run tool to fix pension funding.

Cases.

TransWorld Airlines. In 1992, PBGC entered into an agreement with TransWorld Airlines and its former owner Carl Icahn limiting pension liabilities so that the airline could keep flying. The agreement gave Mr. Icahn the unilateral right to terminate the airline's pension plans. With the airline's finances falling off and Mr. Icahn carrying the right to terminate the pensions, Mr. Icahn may either seek further concessions or terminate the plans. Termination would bring 40,000 more people onto the PBGC's rolls and will cost the insurance system \$525 million. (PBGC has already booked this loss.) If there is a serious effort to revise the agreement, it will come to the Secretary for review. More generally, the Secretary should be aware that the airline (with 20,000 jobs) continues to struggle, and that it will be tested over the winter months.

If there is a serious effort to revise the agreement, it will come to the Secretary for review.

A Pan American Airways. PBGC assumed responsibility for Pan American's failed pensions in 1990. A group of machinists representing several thousand people recently sued to have PBGC removed as trustee, citing delay. The motivation for their claim is the agency's failure to pay certain benefits, but PBGC cannot pay benefits that are not provided by the law. While we may have the legal high ground in this case, a government agency pitted against workers on a high-profile case may generate publicity.

Daschle Bill.

Senator Daschle has been preparing a pension bill for introduction in the 105th Congress. The bill includes many provisions previously advanced by the Administration (e.g., increased multiemployer guarantees) and other attractive pension coverage and security proposals.

The Administration is providing the Senator with assistance on the bill. We hope to be in a position to endorse it.

3) OTHER ISSUES

Missing Participants.

PBGC searches for missing pensioners entitled to benefits under defined benefit plans that terminate. Secretary Reich announced in December a nationwide search to locate about 2,700 people who are owed \$10 million in unclaimed pension benefits. The President proposed earlier this year to expand the program to terminating defined contribution plans, but Congress did not pass it. We expect Senator Daschle's legislation to make the same proposal.

White Consolidated Industries Litigation.

PBGC has a case pending against White Consolidated Industries for evasion of pension liabilities in connection with its transfer of unprofitable businesses and severely underfunded pension plans to Blaw Knox Corporation in 1985. The case is worth an estimated \$150 million. It is scheduled to go to trial in March 1997. There may be efforts to settle the case prior to trial.

Pension Raids.

As part of its 1996 budget package, the Congress recommended that employers be allowed to withdraw certain "surplus" assets from pension plans. The Administration vigorously opposed this effort and the President cited it as a reason for vetoing the budget legislation. This proposal could arise again in 1997, and we should oppose it.

Bankruptcy Issues.

PBGC experiences difficulty in getting its ERISA claims honored in bankruptcy proceedings. We continue to pursue certain issues in litigation, and we are working with the National Bankruptcy Review Commission, which will make legislative recommendations in 1997-1998.

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BRIEFING ON DOL'S REINVENTION EFFORTS FOR SECRETARY OF LABOR

December 19, 1996

The Department of Labor has been an acknowledged leader in the Vice President's effort to reinvent government and has received considerable recognition for its efforts. The Department's efforts were launched in April, 1993, soon after the President announced the formation of the National Performance Review. Secretary Reich held three reinvention retreats to promote the effort during 1993 and 1994. The Secretary also invited the unions to join in as partners in this effort to reinvent the Department of Labor.

The focus for most reinvention efforts is currently in the program agencies. Each agency has made considerable progress in the four areas identified in the Report of the National Performance Review - cutting red tape, getting back to basics, empowering employees, and improving customer service. This report provides information on some major initiatives and recommendations and mandates from the National Performance Review. Other agency specific activities will be covered in separate agency briefings.

□ Major Accomplishments

■ Secretary Reich's Legacy

The Secretary summarized the Department's reinvention accomplishments in his "Legacy Statement" that was printed in Appendix A of The Best Kept Secrets of Government. In it he wrote that "[we] have much more to accomplish. But we have kept faith with the National Performance Review and with the American people. We are making government work better and cost less."

■ Innovation Awards

The Department's reinvention activities have won three Innovations in American Government awards in the past two years, and had one finalist. Winners of the award are:

- OSHA's "Maine 200" initiative
- PBGC's "Early Warning Program"
- Wage & Hour's "No Sweat - Eradicating Sweatshops Campaign"

BLS was a finalist for its "Re-engineered Data Collection for Companies with Few Worksites / TDE/VR" initiative.

■ **Partnership Award**

The Department of Labor and the National Council of Field Labor Locals, AFGE received one of the first "Partnership Awards" from the National Partnership Council.

■ **Hammer Awards**

The Department has received more than 25 of the Vice President's prestigious "Hammer Awards."

■ **Success Stories**

The Department has published more than 80 reinvention success stories covering all of agencies' successful reinvention efforts. Most of these success stories are posted on the Internet.

■ **Summaries of Some Major Success Stories**

BLS - Public Access to Labor Statistics (LABSTAT)

In January 1994, BLS introduced an Internet-based public access system (LABSTAT), and on Labor Day 1995, introduced the World Wide Web service. Since the inception of the service, over one million data requests have been satisfied. As of February 1996, LABSTAT usage has grown to over 400,000 hits each month by over 38,000 customers. Now, for the first time in BLS history, customers can retrieve information at their convenience (24 hours a day, seven days a week), for free, without having to talk to a BLS employee. Queries from public access customers via electronic mail are responded to quickly, efficiently, and accurately, allowing existing staff to serve a larger customer base.

ESA / Office of Federal Contract Compliance Programs - Expedited Review Process

Faced with an ever-tightening budget, OFCCP shifted from costly, time-consuming, full-scale equal opportunity compliance reviews of certain government contractors to an Expedited Review Process. This pilot cuts to the chase: it reduces steps, procedures, and travel to focus on discrimination. Preliminary results show the number of hours to complete a review dropped by 60%, with dollar savings to both government and industry. Projections show that the agency may be able to do 50% more work at half the cost.

ESA / Office of Workers' Compensation Programs - Rapid Injury Response

As a result of improvements in the worker's compensation claims process, OWCP was able to provide fast, on-the-spot service to victims of the Oklahoma city bombing. Cases were established on the same day (compared with a 27-day average on routine cases), and payments were made to survivors within 9 days. (compared with the previous 45 day average.) Because of the improved process, 93% of injured workers were able to return to work within six months.

ESA / Wage and Hour Division - Eradicating Sweatshops

"Sweatshops" still exist in the garment industry today, with a majority of the sewing subcontractors of major clothing manufacturers in California paying less than minimum wages, no overtime, and allowing unsafe or unhealthy work environments. The ESA Wage and Hour division in San Francisco cannot monitor alone. Instead, the Division works in partnership with more than 40 manufacturers to monitor contractors. Nine major manufacturers in Los Angeles formed a "compliance alliance" to monitor more than 700 contractors.

ETA - The Enterprise

The Enterprise Council, a national network of 164 best-in-class workforce development organizations, was created in October 1994 to promote high quality, customer-focused services for dislocated workers. The Enterprise is guided by a Council made up of local, state, and federal representatives operating in full and equal partnership. Performance standards for membership are defined as "high quality" rather than "minimum" standards. To qualify for membership, organizations must achieve an 80% job placement rate and a 75% customer satisfaction rate, and must demonstrate strong commitment to continuous improvement as verified by a rigorous evaluation by recognized quality experts using Malcolm Baldrige Award criteria.

ETA - America's Job Bank on the Internet

Creation of America's Job Bank (AJB) on the Internet is a new way to make employment services more universally accessible and more economical. The service, now the largest job bank on the Internet, provides job seekers with access to several hundred thousand job listings 24 hours a day. In November 1993, 48,000 job vacancies were on the AJB on the Internet. By November 1995, over 325,000 job openings were available daily. In addition to the nationwide collection, 210,000 vacancies became available as 18 states developed their own state job bank Internet services, and more than 1,000 jobs were added through links to employer-maintained WWW home pages. The AJB Internet Service, which has won several acclaims, has had more than one million hits each week. The Internet address is: <http://www.ajb.dni.us>.

OSHA- Maine 200

The Maine Top 200 Program--a partnership between OSHA, organized labor, employers, and employees--has greatly increased OSHA's influence in the workplace. Participants (184 employers) with over 1,234 locations have identified over 180,000 hazards to date and corrected more than 128,000 of them. (It took OSHA eight years to identify approximately one-sixth of this number before the program.) Sixty-five % of employers experienced a decrease in injury/illness rates.

OSHA - Grip: Getting Results - Improving Performance

An OSHA union-management team developed new strategies to reduce workplace injuries, illness, and death, including a model for radically redesigning the field offices. Streamlined processes have allowed area offices to increase by 30 to 50% the staff time available to develop proactive solutions to underlying safety and health problems. The average time to respond to a worker's complaint has been reduced in some cases up to 84% (from 21.9 days to 3.6 days).

OSHA - Expert Advisors

OSHA's first Interactive Expert Advisor, the Cadmium Biological Monitoring Advisor expert system (called GOCAD), paved the way for the recently released OSHA Asbestos Advisor. The

Advisors use several information system technologies: rule-based expert systems, hypertext, logical-text markup language, electronic bulletin boards, and Internet. The new software easily leads users through the decision-logic of OSHA regulations by asking questions about the worksite and the work performed. Quick access to the expert advisors reduces paperwork and research burden on the regulated community. OSHA expects that the Asbestos Advisor will be used by up to 100,000 businesses in several years. Trade associations copy and redistribute these programs, making their use much greater than the number actually downloaded electronically. OSHA released the public test of the Permit Spaces Advisor in March, and businesses took 1930 copies in 8 weeks. OSHA works with industry and labor to develop these tools. During the January 1996 government shut-down, OSHA's computers kept running, answering questions from OSHA's customers. OSHA's WWW site is <http://www.osha.gov>.

OSHA - New Informal Complaint Process

Applying reinvention principles, including the "breakthrough" approach, two OSHA area offices (Cleveland, OH and Peoria, IL) reduced the average time between receipt of nonformal complaints and abatement from 39 to 9 workdays (a 77% reduction) and from 23 to 5 workdays (a 78% reduction), respectively. Workers who file complaints with the Peoria office now get results in 5 days or less instead of waiting an average of 3 weeks. OSHA implemented the new process--a cooperative approach which uses telephone and fax technology--in each of its field office in June 1995.

PBGC - Early Warning Program

Corporate events such as bankruptcies and spin-offs increase the risk of pension plan underfunding and could result in losses to pensioners and to the PBGC which insures pension plans. PBGC is currently monitoring over 400 companies with pension underfunding in excess of \$25 million each to identify and analyze corporate events that could put the PBGC and on-going pension plans at risk. Since the beginning of the program, successful settlements have been negotiated with 38 companies, resulting in \$14 billion in additional benefit protection funding.

PWBA - Employee Contributions Project--401(k) Plans

PWBA noticed an increase in the number of employee complaints regarding 401(k) plans, which allow employees to deduct part of their income every year, invest it, and pay no taxes on the money until it is withdrawn at retirement. If an employer delays forwarding employee contributions to the investment company, the worker is deprived of investment earnings. To protect employee 401(k) contributions, PWBA launched an Employee Contributions Project (ECP), an intensive nationwide initiative that raised the visibility of this serious problem, encouraged employees to report potential violations, and discouraged employer violations. To date, the ECP project has recovered \$7.3 million in employee contributions, \$1.4 million in employer contributions, and \$128,000 in restitution in criminal cases. More employees, alert to signs of 401(k) abuse, are now calling PWBA.

□ National Performance Review

The Department has made considerable progress on recommendations made by the National Performance Review, including the Executive Orders that were issued in response to the Report of the NPR.

- **Phase I**

There are 51 action items included in Phase I. Of those, 9 are completed, 27 are making expected progress, 6 are behind schedule, and 9 are not being implemented. Status reports on all items are posted on the Labornet.

- **Phase II**

There are 19 action items included in Phase II. Of those, 2 are completed, 12 are making expected progress, 3 are behind schedule, and 2 are not being implemented. Status reports on all items are posted on the internet.

- **Streamlining**

The Department has already exceeded the FY 1999 target for FTE reductions, and is on or ahead of schedule for most of the other streamlining requirements. Streamlining/restructuring indicators are posted on the Labornet.

- **Regulatory Reform**

As part of its efforts to reform regulatory programs and agencies, the NPR published "The New OSHA" in May of 1995 and "Simplifying Pensions" in June 1995. Considerable progress has been made on these two initiatives.

"The New OSHA" included 15 specific items. Of those, 5 are complete and the remaining ten are making progress.

"Simplifying Pensions" included 32 recommendations. Many of these items involve other agencies, such as the Treasury Department. Twenty-one recommendations have been implemented, though some were modified in the legislative process. Many were included in the Small Business Job Protection Act of 1996.

- **Customer Service Standards**

The Department has developed customer service standards for all major program agencies. Annual reports have also been published for the public to inform them of these standards and of our performance against these standards.

- **Elimination of Internal Regulations**

The Department of Labor has eliminated more than 50% of its internal regulations, in accordance with the Executive Order. For those agencies that counted pages, we have

eliminated 50% of all pages. For those agencies that counted regulations, we have eliminated 64% of all regulations. The complete report is posted on the Labornet.

❑ **Unfinished business**

■ **Vice President Gore's Six Points**

In the spring of 1996 Vice President Gore announced that the reinvention effort would focus on six major points in the next year. These included:

1. **Creating Performance Based Organizations**

Agencies are exploring possible candidates to become PBOs.

2. **Visible Improvements in Customer Service**

Agencies will be working to improve their customer service standards and making a customer focus key to their GPRA efforts.

3. **Regulatory Partnerships**

Agencies will continue this effort and expand existing efforts, such as OSHA's Maine 200 program.

4. **New Partnerships with Communities**

DOL is involved in the Oregon Option and will continue these kinds of efforts where possible.

5. **Single Points of Contact**

DOL is continuing to develop and promote one-stop-centers.

6. **Transforming the Federal Workforce**

The Vice President focused on the need for reform of the Civil Service laws to provide more flexibility.

■ **NPR Phase I and II Items**

The following items are behind schedule, as reported at end of FY 1996.

Phase I

- DOL01.01 Enhance Reemployment Programs for Occupationally Disabled Federal Employees -- The House eliminated the expansion of PRM from the budget for 1997.
- DOL07.01-02 Redirect the Mine Safety and Health Administration's Role in Mine Equipment Regulation -- Proposed rule published and comments under consideration.
- DOL13.03-04 Integrate Enforcement Activities Within The Department of Labor -- The issue of anomalies in labor law penalties is under review; action not feasible this fiscal year on having inspectors issue warnings.
- DOL15.01 Provide Research and Development Authority for The Department of Labor's Mine Safety and Health Program -- On hold pending decision re: Bureau of Mines.
- DOL17.03,05 Revise and Update the Consumer Price Index -- behind schedule due to problems with CADC and vendor software.
- DOL18.04 Improve the Delivery of Legal Services by The Office of the Solicitor in The Department of Labor -- On hold due to budget constraints.

Phase II

- DOL2-01 Streamline Alien Labor Certification -- On hold pending legislation.
- DOL2-02 Transfer the Community Service Employment for Older Americans Program to the HHS Administration on Aging -- Requires legislative action.
- DOL2-14 Privatize OSHA and MSHA's Accreditation Process -- OSHA on hold pending funding.

■ Streamlining

DOL has made little progress in reducing the ratio of supervisors to employees. The current ratio of 1:5.5 is behind our goal for FY 97 of 1:7. This item will require special attention if we are to meet our goal for FY 1999 of 1:9.

■ Cultural Change

DOL has made progress in this area, but there is much more to be done. Too many employees remain skeptical about the goals of reinvention, and many of the changes have not been institutionalized. More work needs to be done to make our human resource systems supportive of cultural change and our overall reinvention goals.

- **Ongoing Initiatives**

Many initiatives begun by the NPR will take years to complete. All initiatives at DOL will be monitored to ensure their continued progress.

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DEPARTMENT OF LABOR
Advisory Committees

Non-Discretionary Advisory Committees

1. Advisory Committee on Construction Safety and Health
2. Advisory Committee on Veterans' Employment and Training
3. Advisory Council on Employee Welfare and Pension Benefit Plans
4. Federal Advisory Council on Occupational Safety and Health
5. Labor Advisory Committee for Trade Negotiations and Trade Policy
6. Native American Employment and Training Council
7. President's Committee on International Labor Organization

Discretionary Advisory Committees

1. Advisory Council for School to Work Opportunities
2. Business Research Advisory Council
3. Federal Committee on Apprenticeship
4. Labor Research Advisory Council
5. Maritime Advisory Committee on Occupational Safety and Health
6. National Advisory Committee for the North American Agreement on Labor
7. National Advisory Committee on Occupational Safety and Health
8. Shipyard Fire Protection Negotiated Rulemaking Advisory Committee
9. Steel Erection Negotiated Rulemaking

Interagency Advisory Committees*

Advisory Committee on Federal Pay	1
Board of Trustees of the Federal Hospital Insurance Trust Fund and Federal Supplementary Medical Insurance Trust Fund	1
Federal Council on the Arts	1
Interagency Disability Coordinating Council.....	2
Interagency Savings Bonds Committee	2
President's Committee on Employment of People with Disabilities	3
President's Committee on Mental Retardation	3
President's Export Council	3
President's Pay Agent	4
Task Force on Immigration and Refugee Policy	4
Trade Policy Committee	4

*The Secretary of Labor serves on these interagency committees.

12/20/96

Interagency Committee Name

Background Information

Lead Agency and Other Departments Involved

DOL Representative(s)

Advisory Committee on Federal Pay

Purpose: Council meets with the President's Pay Agent regarding the coverage of the annual survey conducted by BLS, the process of comparing the rates of pay at the same levels of work in private enterprise, and the adjustments in the rates of pay of the statutory pay systems that should be made to achieve comparability between those rates and the rates of pay for the same levels of work in private enterprise. The Council then presents its views and findings in a report to the President.

Lead Agency: OMB

O/S:
Official: Secretary of Labor
202-219-8271

Chaired by: OMB
Contact: Martin Duggan
Phone: 202-653-6193

Working Level:
Deputy Secretary of Labor
202-219-6151
OASAM - Pat Lattimore
202-219-9086
BLS --- William Barron
202-606-7802

Established: 1970

Other Departments Involved:
One seat for the Public Employee Department of AFL-CIO, two seats for the American Federation of Government employees, and one seat each for the National Treasury Employee Union, the National Federation of Federal Employees, and OMB

Authority: Federal Pay Comparability Act of 1970 (84 Stat. 1947) as modified by Executive Order 12004.

Termination Date: Ongoing

Meetings:

1. Frequency:
2. Date of Last Meeting:

Board of Trustees of the Federal Hospital Insurance Trust Fund and Federal Supplementary Medical Insurance Trust Fund

Purpose: Oversee the operation and status of the funds and report to Congress yearly on their status.

Lead Agency: Treasury

O/S:
Official: Secretary of Labor
202-219-8271
Working Level:
202-219-6001
(ASP)

Established: July 30, 1965

Chaired by: Treasury
Contact: Roland King
Phone: 410-594-2860

Authority: Section 1817(b) of the Social Security Act of 1940

Other Departments Involved:
HHS, Treasury and two public members who are Stanford Ross and David Walker

Termination Date: Ongoing

Meetings:

1. Frequency of Biannually
2. Date of Last Meeting: April 1993

Federal Council on the Arts

Purpose: Coordination and policy development agency for the arts and the humanities, Government-wide. The Arts and Artifacts Indemnity Act authorizes the Council to make agreements to indemnify museums against loss or damage to items while on exhibition in the country from abroad.

Lead Agency: National Foundation on the Arts and Humanities

O/S:
Official: Secretary of Labor
202-219-8271
Working Level: R. Drotsch (ASP)
202-219-9058

Chaired by: National Endowment for the Humanities
Contact: Donald Gibson
Phone: 202-606-8438

Established: 1965

Other Departments Involved:
Commission of Fine Arts, DOC, DOE, DOL, DOT, GSA, HHS (Administration)

Authority: 20 U.S.C. 958

Interagency Committee Name

Background Information

Lead Agency and Other Departments Involved

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O/S:

Official: Secretary of Labor
202-219-8271

Working Level:
Deputy Secretary of Labor
202-219-6151

OASAM - Pat Lattimore
202-219-9086

BLS --- William Barron
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Established: 1970

Chaired by: OMB

Contact: Martin Duggan
Phone: 202-653-6193

Other Departments Involved:
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Authority: Federal Pay Comparability Act of 1970 (84 Stat. 1947) as modified by Executive Order 12004.

Termination Date: Ongoing

Meetings:

1. Frequency:
2. Date of Last Meeting:

Board of Trustees of the Federal Hospital Insurance Trust Fund and Federal Supplementary Medical Insurance Trust Fund

Purpose: Oversee the operation and status of the funds and report to Congress yearly on their status.

Lead Agency: Treasury

O/S:

Official: Secretary of Labor
202-219-8271

Working Level:
202-219-6001
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Established: July 30, 1965

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Termination Date: Ongoing

Meetings:

1. Frequency of Biannually
2. Date of Last Meeting: April 1993

Other Departments Involved:

HHS, Treasury and two public members who are Stanford Ross and David Walker

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Lead Agency: National Foundation on the Arts and Humanities

O/S:

Official: Secretary of Labor
202-219-8271

Working Level: R. Drotsch (ASP)
202-219-9058

Established: 1965

Chaired by: National Endowment for the Humanities

Contact: Donald Gibson
Phone: 202-606-8438

Authority: 20 U.S.C. 958

Other Departments Involved:

Commission of Fine Arts, DOC, DOE, DOI, DOT, GSA, HHS (Administration)

Interagency Committee Name:

Background Information

Lead Agency and
Other Departments Involved

DOI Representative(s)

Termination Date: Ongoing

Meetings:

1. Frequency: Semiannually
2. Date of Last Meeting

on Aging), HUD, ICA, Library of Congress, National Archives and Records Administration, National Foundation on the Arts and the Humanities (Institute of Museum Services, National Endowment for the Arts, and National Endowment for the Humanities), Senate Commission on Arts and Antiquities, Smithsonian Institution, and VA

Interagency Disability Coordinating Council

Purpose: Developing and implementing agreements, policies, and practices designed to maximize efforts, promote efficiency, and eliminate conflict, competition, duplication, and inconsistency among the operations, functions, and jurisdictions of various departments, agencies, and branches of the Federal Government responsible for the implementation and enforcement of Title V of the Rehabilitation Act of 1973 as amended. (A report to the President and Congress annually on its activities as required by statute.)

Lead Agency: DOJ

Chaired by: DOJ

Contact: Irene Bowen
Phone: 724-2245

O/S:

Official: Secretary of Labor
202-219-8271
Working Level: G. Quinn (SOL)
202-219-7675

Other Departments Involved:

Architectural and Transportation Barriers Compliance Board (which is: DOI, DOT, Education, GSA, HUD, U.S. Postal Service, and VA), DOJ, Education, EEOC, HHS, OPM and VA

Interagency Savings Bonds Committee

Purpose: Formulate plans or organization and sales promotion whereby the voluntary Payroll Savings Plan is made available to all officers and employees for the purchase of savings bonds and whereby all are urged to participate. Act as a clearinghouse in the dissemination of Payroll Savings Plan information, assist in the solution of any special problems connected with the Plan and recommend methods for improvement in the Program.

Lead Agency: EPA

Chaired by: Roates

Contact:
Phone:

O/S:

Official: Secretary of Labor
202-219-8271
Working Level: Pat Lattimore
202-219-9086

Established: March 29, 1977 (The Committee itself was established in 1941.)

Authority: Executive Order 11981, superseded by President's memorandum for Heads of Executive Departments and Agencies dated December 26, 1979

Other Departments Involved:

All executive branch agencies

Interagency Committee Name:

Background Information

Lead Agency and Other Departments Involved

DOI Representative(s)

President's Committee on Employment of People with Disabilities

Purpose: Promote and enhance employment and training opportunities for all qualified handicapped employees, and to resolve problems faced by them in Federal Agencies.

Lead Agency: PCEPD
Chaired by: PCEPD
Contact: Tony Coelho

O/S:
Official: Secretary of Labor
202-219-8271

Working Level: Huey Long
Phone:

Established: 1947

Authority: Presidential order by President Truman

Other Departments Involved:
Office of the Attorney General
DOA, DOC, DOD, DOE, DOJ, DOS
DOT, GSA, HHS, HUD, OPA, Treasury,
USIA, U.S. Postal Service, and VA

Termination: Ongoing

Meetings:

1. Frequency:
2. Date of Last Meeting:

President's Committee on Mental Retardation

Purpose: Focus on the prevention of mental retardation to: offset its handicaps, increase scientific standing accurately inform the nation, and track and assess national objectives.
202-376-6200

Lead Agency: PCMR
Chaired by: Doreas Hardy
Contact: Jim Young

O/S:
Official: Secretary of Labor
202-219-8271
Representative: Paul Hippolitus
Phone: 202-245-7634

Established by: May 11, 1966

Authority: Executive Order 11280, continued by Executive Order 11776 #948 and 12399

Other Departments Involved:
ACFON, Attorney General, GSA, and HUD

Termination Date: Ongoing

Meetings:

1. Frequency: Quarterly
2. Date of Last Meeting:

President's Export Council

Purpose: Serves as a national advisory board on export trade matters.

Lead Agency: DOC

Chaired by: DOC
Chair: Heinz Prechter
202-219-6043

O/S:
Official: Secretary of Labor
202-219-8271
Alternate: Andrew J. Samet
(Secretary Member) 202-219-6043

Established: December 20, 1973, and reconstituted May 4, 1979

Vice-Chair: Beverly Dolan
Phone: 202-377-1124

Working Level: Benoit
202-219-6201

Authority: Executive Orders 11753, 12131, 12258, 12399, and 12489

Termination Date: Ongoing

Meetings:

1. Frequency: Annually/ Ad Hoc Basis
2. Date of Last Meeting: 1/11/93

Other Departments Involved:
DOA, DOC, DOS, Export-Import Bank, Treasury, U.S. Trade Representative, three (3) members of the Senate designated by the President of the Senate, three (3) members of the House of Representatives designated by the Speaker of the House, and 28 citizens appointed by the President, who are not full-time Federal Officers or employees, and shall represent business and

Interagency Committee Name

Background Information

Lead Agency and
Other Departments Involved

DOI Representative(s)

Industry, agriculture, and labor,
The Secretary of Commerce, with
the concurrence of the Chairman,
shall appoint an Executive Director
NOTE: This is a DOC public advisory
committee.

President's Pay Agent

Purpose: Advise the President on Federal
Government white-collar pay

Established: 1970

Authority: Federal Pay Comparability Act
of 1970 (84 Stat. 1947) as modified by

Executive Order 1200

Termination Date: Ongoing

Meetings:

1. Frequency: Scheduled as needed.
2. Date of Last Meetings:

Lead Agency: OPM

Chaired by: OPM
Contact:
Phone:

Other Department Involved:
OMB and OPM

O/S:

Official: Secretary of Labor
202-219-8271

Alternate: Deputy Secretary
202-219-6151

Working Level: Pat Lattimore

and 202-219-9088

BLS
George Stelluto
202-606-6300

Task Force on Immigration and
Refugee Policy

Purpose: Identify and review immigration,
naturalization, and refugee
policy issues and make written recom-
mendations to the President on policy
determinations with respect to the
full range of those issues.

Established: March 6, 1981

Authority: Memo from President Regan
President

Termination Date: Ongoing

Meetings:

1. Frequency: Ad Hoc Basis
2. Date of Last Meeting: Fall 1992

Lead Agency: DOJ

Chaired by: DOJ
Contact: Attorney General
Phone: 202-514-2000

Other Departments Involved:
DOD, DOE, DOJ, DOL, DOS, DOT,
FEMA, HHS, OMB, Treasury and
the Deputy Assistant to the
President

O/S:

Official: Secretary of Labor
202-219-8271

Alternate: Andrew J. Samet (ILAB)
202-219-6043

Working Level: Roger Kramer (ILAB)
202-219-9098

Trade Policy Committee

Purpose: Carry out responsibilities
under Section 2421 of the Trade Ex-
pansion Act of 1962, as amended,
and Executive Order 12188.

Established: Executive Order 11846
and 12188

Termination Date: Ongoing

Meetings:

1. Frequency: As-needed basis
(generally averaging twice
a month).

Lead Agency: USTR

Chaired by: USTR
Contact: David Weiss
Phone: 202-395-3475

Other Departments Involved:
CEA, DOA, DOC, DOD, DOE, DOI,
DOJ, DOS, DOT, IDCA, OMB,
Treasury, U.S. Trade Represent-
ative, and the Assistant to the
President for National Security
Affairs

O/S:

Official: Secretary of Labor
202-219-8271

Working Level: Andrew J. Samet
202-219-6043