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November 18, 2011

MEMORANDUM TO: Chairman Jaczko
Commissioner Svinicki
Commissioner Apostolakis
Commissioner Magwood
Commissioner Ostendorff

FROM: Stephen G. Burns /RA/
General Counsel

SUBJECT: EXECUTIVE ORDER 13589, "PROMOTING EFFICIENT SPENDING"

On November 9, 2011, the President issued Executive Order ("EO") 13589, entitled "Promoting Efficient Spending" ("Order"). The Order is aimed at reducing administrative costs within the Government, and it therefore directs federal agencies "to take even more aggressive steps to ensure the Government is a good steward of taxpayer money."

Like recent EO 13571, "Streamlining Service Delivery and Improving Customer Service," the NRC is not explicitly covered by the Order, which states only that "Independent agencies are requested to adhere" to its requirements.

(b)(5)

The Order requires covered agencies to develop plans for cutting Fiscal Year 2013 expenses associated with specified administrative activities by at least 20 percent from their Fiscal Year 2010 levels. All plans must be submitted to OMB by December 27, 2011. In particular, the Order provides that agencies should make discretionary cuts in the following categories:

1. **Travel and Conferences** — Each covered agency and Office of the Inspector General must task a senior official with overseeing efficient spending for travel and conference-related activities. Agencies are specifically encouraged to use teleconferencing and videoconferencing in lieu of paying for costly domestic and foreign travel to attend meetings in-person, and to host all necessary conferences in government office buildings rather than rented spaces. In addition, agencies should review their policies on relocation spending to reduce costs and ensure that appropriate controls are in place.

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2. **Information Technology** — Agencies should establish controls to reduce spending on underused or unnecessary information technology devices issued to employees, such as laptops, smartphones, and tablet computers. Moreover, agencies should consider implementing agency-wide computing tools to consolidate services.
3. **Printing** — The Order encourages agencies to limit printing costs associated with circulating hard-copy paper documents and to instead provide information in electronic form when legally permissible. In addition, the Order recommends using OMB's Federal Strategic Sourcing Initiative to acquire printing and copying devices and services.
4. **Executive Vehicles** — In order to cut costs, agencies should limit the use of federal motor vehicles for transporting senior agency officials.
5. **Promotional Items** — The Order asks agencies to reduce spending on promotional "swag" handouts, such as plaques, water bottles, mugs, clothing, commemorative items, and other non-work-related items where such spending is not cost-effective.
6. **FY 2012 Budget Items** — Finally, the Order directs covered agencies to the Administrative Efficiency Initiative in the President's Fiscal Year 2012 Budget. This initiative highlighted areas where agencies could cut expenditures, including cutting unnecessary contracting costs by entering more predictable fixed-price contracts, increasing contract oversight, and reducing the disproportionate use of professional and technical contractors rather than agency personnel. In addition, agencies are directed to track and leverage their spending on basic office supplies and materials.

The Order directs OMB to monitor agencies' implementation of these cost-cutting plans, although it does not instruct OMB to provide guidance to agencies in developing their plans. I understand that the EDO and CFO are evaluating implementation of the Executive Order.

cc: EDO
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