

1 of 2



GAO

United States General Accounting Office

We in the General Accounting Office are proud of our tradition of service to the Congress and the American people.

We continued that tradition in 1983, and this volume of the Annual Report highlights a few of GAO's major efforts in the past year. We focused substantial attention on the Department of Defense, making recommendations to improve its management and achieve savings while maintaining a strong defense capability.

We looked at the pros and cons of producing new chemical weapons, and GAO's report on this issue was central to the recent congressional debate. Two major studies dealt with security assistance to Israel and to Egypt. Other areas of primary concern to GAO this past year included preparing for potential energy shortages, controlling health care costs, and collecting debts owed the U.S. government.

Economic conditions dominated fiscal year 1983. Inflation and interest rates declined, permitting the economy to begin recovering from its worst recession in 50 years. However, continuing large federal budget deficits—about \$200 billion in 1983 and almost the same expected in 1984—are of serious concern.

Government must put its fiscal house in order. Toward that end, GAO will place even greater emphasis on strengthening financial management. We have begun a major effort to review implementation of the Federal Managers' Financial Integrity Act of 1982. This legislation is a vital step toward improved accounting systems and more effective internal controls. In addition, we are convinced that the time has come to consider an overhaul of the government's entire financial management structure. In the coming year, we will be issuing a special report on how to begin this task.

I believe GAO's record this past year has been a distinguished one. In addition to the efforts highlighted in this volume, detailed information on fiscal year 1983 activities, legislative recommendations, and financial and other benefits from GAO's work is contained in Volume Two of the Annual Report. All of us at GAO intend that our contributions will be even greater in the year ahead.

Charles A. Bowyer
Comptroller General



Comptroller General Bowsher, seated at the head of the table, frequently meets with GAO staff to discuss on-going assignments.

GAO In Action

General Accounting Office staff going to Capitol Hill is a common occurrence in Washington, D.C. GAO's major responsibility is to assist the Congress by providing information for its legislative activities and oversight of the executive branch. Through reports, testimony before congressional committees, legal opinions and comments on proposed legislation, and informal discussions with congressional staff, the General Accounting Office contributes independent, nonpartisan information for congressional decisionmaking. This information is complemented by the efforts of other legislative branch agencies working with GAO—specifically, the Congressional Budget Office, the Congressional Research Service, and the Office of Technology Assessment.

The impact of GAO's actions extends to other areas as well. Improved federal government operations, more effective federal policies and programs, and financial benefits to the taxpayer have all been important effects of GAO's audits, evaluations, and other work. In fiscal year 1983, the measurable benefits of GAO's recommendations were \$4.5 billion.

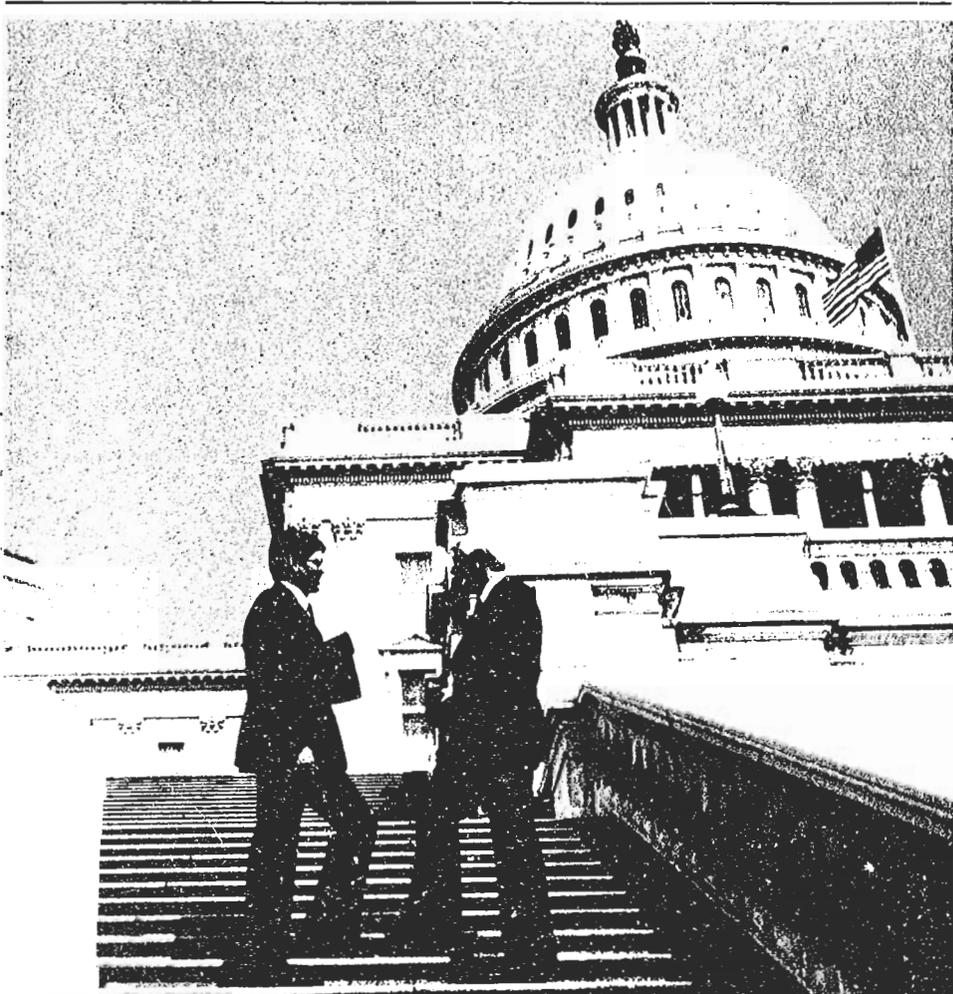
In 1983 GAO updated and expanded the approach to its work to better carry out its mission and respond to a changing environment. To stay abreast of the effects of new technology, GAO established the Information Manage-

ment and Technology Division, which will specialize in evaluating computer systems. And future work on defense issues will be performed by the recently created National Security and International Affairs Division. Previously, responsibility for GAO's defense work was dispersed among several divisions. This new division merges that work, enhancing GAO's ability to assist the Congress. GAO has completed the first of a series of innovative, comprehensive reviews of the management of major federal departments. In another new approach, GAO is assessing how block grants have affected levels of public services.

To fulfill its responsibilities in fiscal year 1983, with an appropriation of \$253 million, GAO issued 755 reports to the Congress, its committees and members, and federal agency officials; testified 154 times before congressional committees; provided legal opinions and legislative interpretations 408 times; and assisted the Congress in many other ways.

This work is done by GAO's 5,000 employees. Half of these people work in the Washington, D.C., area. The other half are assigned to GAO's 15 regional offices and one overseas office (Honolulu) in the United States and foreign offices in Frankfurt, West Germany, and Panama City, Panama.





Defense



Increased Defense Spending Is a National Concern

The U.S. defense budget has been growing rapidly and is projected to continue doing so. It increased by 69 percent between fiscal years 1980 and 1983, going from \$137 billion to \$232 billion, and the Department of Defense (DOD) projects that it will need \$425 billion in fiscal year 1988. In 1983 the military was allocated 26 percent of the total federal budget, and that percentage is expected to increase in future years.

With such large increases in a relatively short period of time, the Congress and American taxpayers are concerned about the Department's ability to manage these huge sums efficiently and effectively. They also are interested in finding ways to reduce

defense spending without adversely affecting the nation's military capability.

Examining Defense Spending

Recognizing the concerns of the Congress and the taxpayers, GAO continued to focus in 1983 on the Defense Department's ability to manage its expanding programs. GAO reported that DOD generally used its additional money to modernize the armed forces and ensure combat readiness and sustainability. And military pay was increased to recruit and retain personnel with critical skills. A number of problems, however, remain to be resolved. For example, DOD's top management must do more to ensure that (1) programs are progressing as scheduled, (2) cost estimates are accurate, and (3) funds are used as intended.



Monitoring U.S. Investment in a Strong Defense

One area receiving much attention from GAO has been the Defense Department's investment in modernizing and expanding the armed forces. DOD's investment accounts climbed between fiscal years 1980 and 1983 from \$53 billion, or 39 percent of the defense budget, to \$110 billion, or 47 percent of the budget.

A key element in modernizing the nation's strategic forces is the B-1B bomber program. GAO has continually monitored and analyzed B-1B cost estimates for the Congress. In fiscal year 1983, GAO reported that the current \$20.5 billion cost estimate for acquiring 100 aircraft omitted about \$1.4 billion of known costs. In the past, GAO has encountered delays in obtaining B-1B cost information from the

Air Force. If such delays occur in the future, the Congress may not know all the costs before committing itself to B-1B procurement.

Concerned about the Army's Viper light antitank weapon, the Congress directed the Army to test and evaluate the Viper and other comparable weapons this past year, and it asked GAO to oversee the Army's activities. Some \$1.2 billion was to be spent to acquire Viper weapons. In a 1981 report, GAO had found that estimated production costs of the Viper had increased substantially and that the weapon's effectiveness was less than anticipated. Original cost estimates of the shoulder-fired, throwaway Viper had risen from \$78 each in 1975 to \$793 by 1981. In addition, GAO reported that technical and safety problems encountered during the weapon's development, including accidental firings, had not been resolved, and foreign-made light antitank weapons had not been seriously examined. The congressionally required 1983 test was performed with GAO's presence throughout. Based on the test results, the Army decided to terminate contracts for the Viper's production until a Swedish-made weapon—judged best overall—could be tested further.

GAO also reviewed the Air Force's planned investment in a weapon that would be used against tanks and other armored vehicles. GAO found that one of the munitions to be purchased for this weapon will not provide the Air Force with the capability it needs and is little, if any, better than munitions in existing inventories. GAO recommended cancelling the acquisition of this munition, which had a projected total cost of \$1.8 billion; \$54.4 million of that amount was requested in the fiscal year 1983 budget. The Air Force agreed to terminate the program, recognizing that other means were available to accomplish its mission.

Reviewing DOD's Tests and Evaluations of Weapon Systems

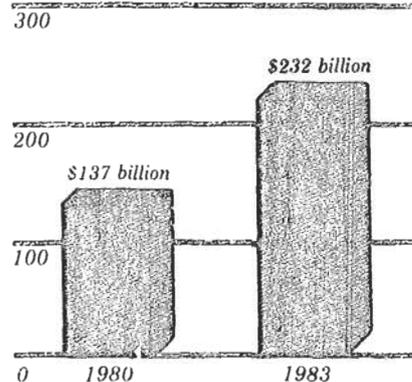
Short of armed conflict, testing and evaluation are the most effective ways to assess the capability of weapon systems and military operations. In one report, GAO found the Defense De-

partment has been unable to test many weapon systems in a representative combat environment, because the development of electronic warfare threat simulators and aerial targets has not kept pace with that of the potential enemy's deployed weapons. GAO concluded that these shortcomings were caused, among other reasons, by DOD's organizational structure for testing and by its poor planning—resources needed to do the testing were not identified. The Department of Defense recognized the problems and called for steps to increase the realism of testing. And the Congress recently passed legislation to reorganize some of DOD's testing offices and establish a Director of Operational Test and Evaluation.

Emphasizing Procurement Issues in Future Work

As increasing publicity is given to poor workmanship, large cost overruns, price growth, and seemingly excessive pricing in connection with defense contracts, the American taxpayers need reassurance that their tax dollars are being spent wisely. With this in mind, GAO is reviewing such matters as (1) the role and effectiveness of the Defense Contract Audit Agency in the procurement process, (2) the ways contractors allocate costs to defense contracts, and (3) the reasons for and the reasonableness of substantial increases in the prices of various spare parts. In addition, GAO is closely monitoring the Defense Department's study of contract pricing, financing, and profit policy.

U.S. Defense Budget
Billions of Dollars



Chemical Warfare

Congress Faced with Decision To Again Produce Chemical Weapons

Chemical warfare, said Senator John Tower on the Senate floor on July 13, 1983, was one of the three most important issues in the fiscal year 1984 Defense Department authorization bill. The two others were the B-1B bomber and MX missile. Why was chemical warfare so important among the great number of competing issues? The answer begins with DOD's plans to modernize U.S. defensive and retalia-

tory chemical warfare capabilities.

Emotions run high in this area. The moral revulsion to chemical warfare after World War I led to a prohibition among nations worldwide on the use of asphyxiating and poisonous gases in war. Their production or stockpiling, however, was not banned. The United States has not produced lethal nerve gases since 1969, although it has continued to stockpile them. (Earlier this year GAO found that in the United States these munitions are safely stored.) This past year DOD asked



the Congress to end the moratorium on production, stating that the security of the United States and its European allies will be endangered if the Congress does not authorize money for production. The Congress also heard an opposing view, that the modernization plans will result in the taxpayers' dollars being spent unnecessarily—even harmfully.

Providing Comprehensive Information on Chemical Weapons

Looking for an objective analysis of the sensitive and controversial chemical warfare issue, the Congress asked GAO to investigate four major topics in the modernization debate: the different ways of deterring chemical warfare, the comparability of the United States and the Soviet Union in chemical warfare capability, the modernization alternatives for the United States, and the likely effects of those alternatives on disarmament prospects. Because of the sweeping nature of the questions, GAO responded by performing an "information synthesis."

Unlike an audit or a literature review, this approach allowed GAO to (1) describe the nature and extent of published sources on each topic, (2) focus on ones that would be the most likely to contain either original data or arguments about chemical warfare, and (3) assess the level of confidence that can reliably be placed in them. The approach included interviews with experts, both inside and outside DOD, who represented various positions on chemical warfare modernization. Some of them helped GAO ensure that all major information sources, including intelligence data, had been accounted for. The resulting report spelled out what is known today about the chemical warfare issue. It identified the information that has been adequately substantiated and also pointed out gaps and inadequacies in that information.

GAO found that most arguments about chemical warfare are based on belief rather than empirical evidence. Generally, the U.S. chemical weapon system is not seen as a credible deterrent to war. Although there is agreement that U.S. protective capability needs improving, it is less clear what and how much retaliatory chemical capability is needed.

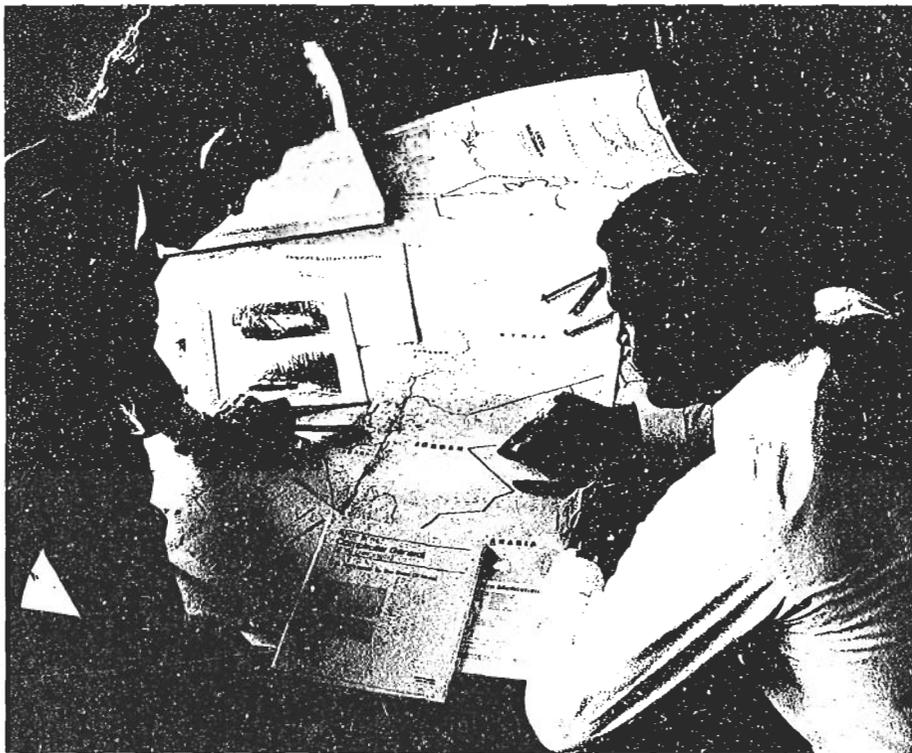
GAO found reason to voice particular concern about DOD's plan to augment the existing stockpile of unitary weapons with the new "binary" weapons. A binary weapon keeps two nonlethal chemicals separate until they are mixed in an artillery shell or a bomb, producing a lethal gas. GAO found assertions that the binary weapons have specific technical and operational advantages are not supported by empirical evidence and must be recognized as possibly inaccurate.

GAO also found that little is known, for example, about:

- Whether binary weapons offer significant advantages over unitary ones on a wide range of operational and technical factors, such as mixing and arming the binary weapons in the heat of battle and the toxicity of the weapons (open air testing has been banned since 1969).
- What specific doctrine should be developed to ensure that everyone on the battlefield, from commander to foot soldier, knows precisely what procedures to follow—as well as when, how, and why to follow them—in defending against or waging chemical warfare.
- What steps are being taken to protect civilian populations in the event of a chemical war.

The Defense Department was critical of GAO's report, but many in the Congress gave it high marks. The House of Representatives and Senate debates on the deletion of DOD's \$114.6-million request to produce binary weapons centered on GAO's findings, partly because they were cited extensively by proponents and opponents alike. The House twice rejected production of new chemical weapons this past year, while the Senate twice approved it with the vice president, as presiding officer, breaking tie votes. These were the only two tie-breaking votes cast by a vice president in the past 6 years. In conference, the House and Senate agreed to fund research and development and maintain existing stockpiles, but rejected production of any new chemical weapons.

International Security Assistance



U.S. Arms Sales and Military Support Are Increasing

International security assistance—a highly visible and politically sensitive government program—is considered by the administration and members of Congress as a vital instrument of U.S. national security and foreign policy. The proposed fiscal year 1984 program of foreign military sales (FMS) credits, military aid as grants, training, security-related economic support, and peacekeeping operations totaled \$9.2 billion—more than double the fiscal year 1980 program. Israel and Egypt each receive over \$2 billion of that amount. In addition, the U.S.

government makes cash sales of military equipment to foreign customers. These sales have averaged about \$8.7 billion annually for the last 5 years, with Saudi Arabia purchasing about 40 percent of this amount.

Given the program's political sensitivity and financial importance, the Congress has looked to GAO for in-depth, nonpartisan assessments of assistance to individual countries and of foreign military sales in general. GAO has focused on (1) how well U.S.-supported activities have been planned, implemented, and controlled, (2) to what extent the assistance has improved the ability of U.S. allies to defend

themselves, and (3) what financial implications the aid has had for the recipient countries and the United States.

Reporting on Security Assistance to Israel and Egypt

GAO reviewed security assistance and related programs for Israel and Egypt because of the large amounts of aid involved and because any such assistance would naturally interact with military assistance and arms sales to other countries in the volatile Middle East region. From Israel's creation in 1948 through fiscal year 1983, U.S. assistance to Israel has totaled over \$25 billion, with significantly increasing aid levels since 1973. After 2 decades of cool relations, Egypt and the United States entered the 1980's with a new and expanded defense relationship. Today, Egypt is the second largest recipient of U.S. military aid.

GAO found that Israel and Egypt have received liberal financing terms for some U.S. aid. GAO took no position on the amount or terms of assistance but expressed certain concerns. For example:

- Israel and Egypt purchased equipment under the so-called "cash flow" financing method, allowing them to buy more than their approved loan guarantees would allow. A problem with this method is that it implies a commitment for the Congress to approve large aid packages in the future to ensure the signed contracts are honored.
- Israel and Egypt have had substantial amounts of FMS debt written off by the U.S. government. Israel has been forgiven \$750 million of its \$1.7 billion in FMS loans for fiscal year 1983. Of

its \$1.3 billion in FMS loans for the same year, Egypt was forgiven \$425 million. Such actions set precedents for aid to other countries.

GAO also looked to the future. Even though large amounts of FMS loans to Israel and Egypt have been forgiven, much is still owed, and new purchases will increase their debt to the United States even further.

Looking at the Use of Loans To Support Foreign Military Sales

In the past, the United States has financed foreign military sales by making grants and low-interest loans, which were included in the federal budget and required congressional appropriations. In recent years, however, the financing has shifted to high-interest guaranteed loans, which are not in the budget and which do not require congressional appropriations.

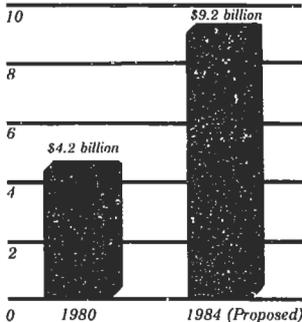
Since 1975 the guaranteed loan program has financed more than \$20 billion of military sales to some recipient countries with severe economic problems. Turkey and Sudan are already experiencing extreme difficulties in making required interest payments and have been granted relief through debt rescheduling.

GAO recommended that FMS loans be tailored to the country's ability to repay and be subject to congressional appropriations. Also, funds placed in reserve for FMS loans should be increased to provide better protection against defaults and other possible liabilities.

Emphasizing the Middle East in Future Work

In recent years, GAO has focused its security assistance work on the Middle East region. This continues with reviews of Jordan and Saudi Arabia that are currently underway. GAO is reviewing the management and implementation of overall security assistance to Jordan, a nation considered critical to achieving lasting peace in the Middle East. GAO is also examining the status of Saudi Arabia's payments for its purchase of more than \$40 billion of U.S. military equipment, training, and military services.

International Security Assistance Program
Billions of Dollars



Potential Energy Shortages

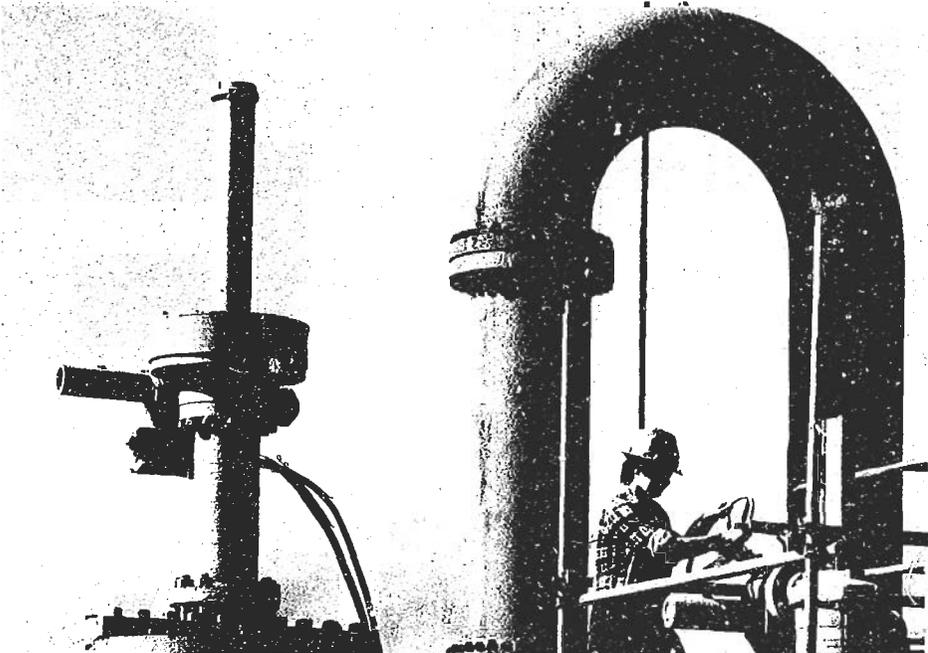
Nation May Be Unprepared for Oil Supply Disruptions

The energy crises of the 1970's delivered a sobering message to the United States about its vulnerability to foreign oil supply disruptions. Twice, the nation was caught unprepared and paid the price. The relatively small 1979 Iranian oil supply cutoff, for instance, increased crude oil prices from \$13 to \$32 a barrel between September 1978 and September 1980 and added about 2 percentage points to inflation in 1979 alone. Despite improvements in the world oil supply, a recent GAO analysis concluded that large disruptions could again double or even triple oil prices, creating profound effects on inflation, economic growth, and employment.

Reporting on the Strategic Petroleum Reserve

The cornerstone of the administration's energy emergency preparedness program is the Strategic Petroleum Reserve. In 1975 the Congress authorized the Reserve to store large quantities of oil for emergency use. By the end of fiscal year 1983, more than \$12 billion had been spent to store over 360 million barrels of oil.

Because of the Reserve's large cost and importance, GAO gave it considerable attention during 1983. At the Congress' request, GAO provided quarterly reports on the administration's progress in developing the Reserve and its compliance with applicable laws. GAO also testified at congressional hearings on Reserve



activities, the implications of various rates of filling the Reserve, and operational problems being encountered at the Reserve sites. These efforts have helped the Congress keep aware of issues and problems pertaining to the Reserve.

The administration and the Congress have generally agreed that the Reserve be filled to a 750-million-barrel level, enough oil to last over 5 months at 1983 import levels. How quickly—or how slowly—it will be filled, however, has been the subject of much debate. In 1982 the Congress established minimum fill rate levels for the Reserve, but the administration wants to fill the Reserve at slower rates. In this regard, GAO issued a report to the Congress indicating that about \$800 million

available for the Reserve would not be spent in fiscal year 1983, primarily because of reduced fill rates and lower than expected oil prices. In addition, GAO analyzed the cost and time implications of nine alternative fill rates.

Evaluating Energy Emergency Response Plans

As required by the Congress, the Department of Energy submitted reports on the administration's plans for handling energy emergencies. GAO's analyses of the plans revealed where procedures were dangerously incomplete and which major problems must be resolved before the Strategic Petroleum Reserve and the Executive Manpower Reserve are used.

GAO also reported on the President's authority for coping with oil emergencies, pointing out that it was derived from a patchwork quilt of statutes and that it had certain gaps. These gaps include the lack of federal authority to preempt various state and local laws and the lack of presidential authority to activate the Executive Manpower Reserve in some energy emergencies. GAO's findings led to congressional hearings, meetings between congressional leaders and senior administration officers, and proposed legislation directed at improving the nation's ability to respond to an oil supply disruption.

Questioning U.S. Ability To Meet International Energy Commitments

This past year GAO also closely followed U.S. participation in International Energy Agency (IEA) activities. GAO testified on IEA's simulated emergency oil allocation test, providing insights into the difficulties the United States might face in relying exclusively on market forces in the event Persian Gulf oil was partially blocked. For example, the simulation indicated that (1) the economic consequence of a cut-off would still be substantial, (2) major U.S. oil companies might not voluntarily participate in the IEA emergency system without some assurance of being treated fairly, and (3) the U.S. government might have difficulty in deciding when and how to use the

Strategic Petroleum Reserve in an international emergency.

Earlier, GAO reported that the United States and other IEA member countries have not been able to agree on whether fluctuating spot market prices or the more stable contract prices should be used when oil is allocated under the IEA system. GAO concluded that these pricing policy differences should be resolved to minimize the problems that might occur if the IEA system for handling oil shortages ever has to be used.

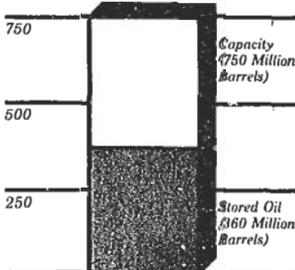
Providing Information for Congressional Decision on Breeder Reactor

The federal government began the controversial Clinch River Breeder Reactor project to demonstrate a technology which, if fully developed, promised to provide an almost unlimited supply of energy and minimize the nation's vulnerability to foreign supply cutoffs. Over the past decade, congressional committees and members have relied extensively on GAO for information in overseeing the project's progress, technology, and funding. Within the past fiscal year, for instance, GAO issued three reports and testified three times on the project's cost and the administration's plans to increase private sector financial involvement. In a recent action, the Congress decided to terminate federal funding of the Clinch River project.

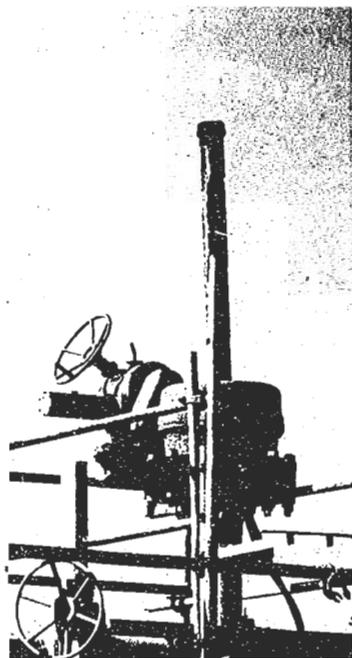
Strategic Petroleum Reserve

Sept. 30, 1983

In Millions



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Health

Cost Is Today's Number One Issue

By nearly every measure, the bill for the nation's health care is very high and increasing rapidly. In 1982 health care expenditures exceeded 10 percent of

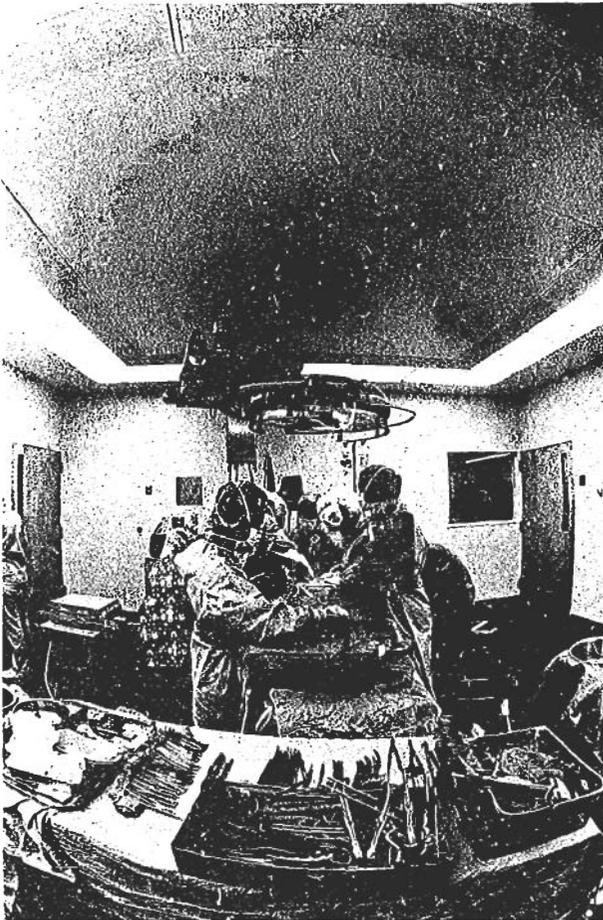
the gross national product for the first time, up from 6 percent in 1965. The cost of a hospital room increased 15.7 percent in 1982, although the overall cost of living increased only 6.1 percent. And between 1977 and 1982, U.S. companies nearly doubled their annual payments for employee health insurance premiums. From a federal perspective, the Medicare hospital trust fund may be exhausted as early as 1990, and some estimate a projected shortfall of \$200-\$300 billion by 1995.

Reviewing Health Care Cost Issues

Recognizing that controlling health care costs is an enormous task with no single solution, GAO has been involved in many cost-related issues. Since 1980, numerous reports have addressed a wide range of topics, including high prescription drug costs, unnecessary expenditures for home health services, the high cost of hospital supplies, and excessive costs for kidney dialysis and medical equipment.

How much of health care costs are for services that are not medically necessary? GAO's work in fiscal year 1983 found that some of them are not. GAO reviewed the \$30 billion a year that Medicare and Medicaid paid for hospital ancillary services (such as X-rays and lab tests). GAO found that essentially no one was reviewing the medical necessity of these services and that about 6 percent of the Medicare charges for ancillary services reviewed in a sample of hospitals were unnecessary. GAO recommended that medical audits be done so that only necessary ancillary services are paid for.

In another report, GAO assessed the adequacy of review mechanisms designed to detect unnecessary physician services charged to Medicare and Medicaid. GAO reported that, although



such reviews were highly cost beneficial under Medicare (\$7 saved for each \$1 spent for those insurance carriers we reviewed), the degree to which they were performed varied greatly throughout the nation. And in Medicaid, physician services were getting little or no review. GAO made a number of recommendations on these matters and, in congressional testimony, emphasized the benefits of reviewing the necessity of physician services and the shortsightedness of proposed administration budget cuts in this area. Ultimately, the Congress authorized an additional \$45 million for audits of health providers' costs and reviews of medical necessity.

Poor planning also contributes to increased health care costs. GAO reported that the Veterans Administration's (VA's) method for deciding how many nursing home beds it needed was flawed; among other things, VA did not consider the availability of private beds in the community. In one instance, instead of building a proposed \$5.3-million, 60-bed nursing home, GAO found that VA could contract for 100 beds anywhere in the United States for the almost \$2 million it would cost each year to operate the facility. The Congress deleted the proposed project from VA's 1984 appropriations in favor of contracting out for the veterans' care.

This past year, GAO assessed the need for and supply of nursing home care for elderly people and the resulting effects on Medicaid expenditures. Nursing home care represents the largest single component of most states' Medicaid budgets, and many states have been trying to stem the rapid growth in this area. This growth is being slowed in nearly every state despite the wide variations in nursing home services that exist across the states.

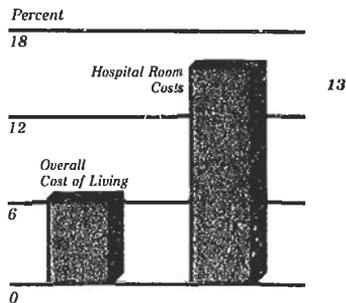
GAO's report found that state actions to control spending are occurring without an adequate understanding of either (1) their impact on the efficiency and quality of care or (2) their effect on access for those most in need of nursing home care. At the same time that states are trying to limit their nursing home bed supply to control Medicaid spending, GAO found that elderly nursing home residents are becoming increasingly disabled and dependent. These trends, combined with a rapidly growing elderly population, could lead to serious problems in providing future nursing home care to the nation's elderly population.

Emphasizing Cost Control in Future Work

As in the past, GAO will continue to emphasize cost control in terms of the federal health dollar. Ongoing work includes examining the many types of Medicaid reimbursement systems for nursing homes with a view toward identifying their strengths and weaknesses. This analysis could be used to design a new, more efficient system for reimbursement. GAO intends to look at Medicare's new prospective payment system for hospitals. The new system—which became effective in October 1983—is a major attempt to control rising hospital costs and represents the most dramatic change in Medicare payment policy since the program was established in 1965.

Looking beyond the federal dollar, private health insurers assert that cost control initiatives in Medicare and Medicaid only shift costs to other payors with little or no resulting impact on the total cost of health care. With this in mind, GAO is currently studying ways to contain total health care expenditures.

Increases in Costs—1982



Nine-Digit ZIP Code

Postal Service Tries To Increase Productivity with New "ZIP+4" Equipment

A major goal of the U.S. Postal Service is to increase the productivity of its 670,000-person work force. In 1982 salaries and benefits of this work force constituted about 84 percent of the Service's \$23-billion operating budget.

Productivity increases through mechanization—primarily letter sorting machines—have been significant during the past decade. The Service has now embarked on a new automation effort to increase productivity. It is introducing new equipment that can optically locate and read ZIP Codes and sort the mail. To acquire the new equipment, the Service will spend about \$800 million through 1987.

To maximize the benefits of the new automation, the Service expanded its five-digit ZIP Code to nine digits. The nine-digit ZIP Code, called "ZIP + 4," consists of the original five digits plus a hyphen and four new digits, as in the following example:

office, bar code sorters subsequently "read" the bar code on each piece of mail and sort the mail directly down to the carrier route level.

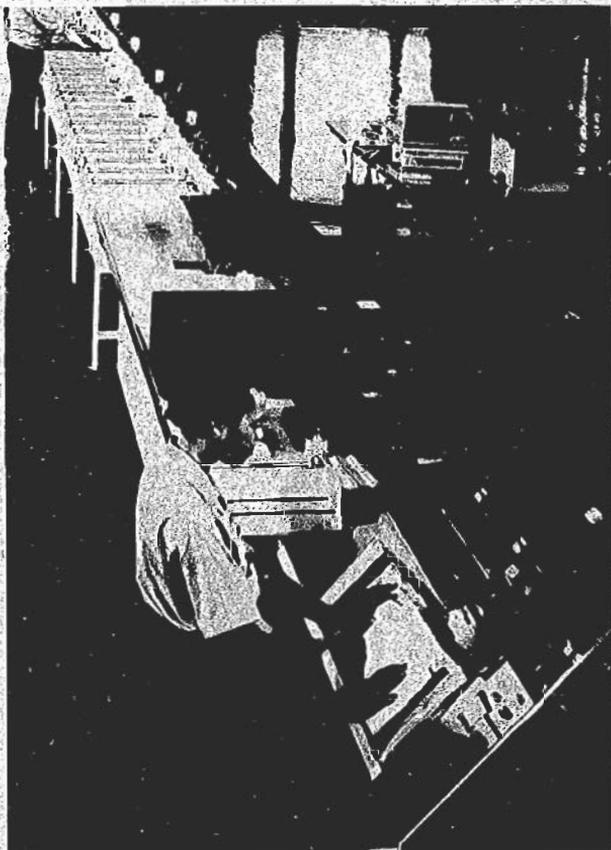
GAO has projected that this automation, when used with ZIP + 4, can potentially save as much as \$6.8 billion (net) over the first 16 years of the program by eliminating an estimated total of 15,800 work years. Work years will be reduced because much first-class letter mail will be sorted down to carrier routes by automation and, thus, fewer mail sorting clerks will be needed. And since mail can be sorted with fewer errors than before, another expected benefit is less mail sent to the wrong destination post office and carrier route.

Efforts to promote ZIP + 4 are being targeted primarily to large-volume business mailers, whose use of the new code will be essential for the Service to achieve significant savings. Although use of the nine-digit code is voluntary, the Service is offering mailers a postage rate reduction for volume first-class mail bearing the ZIP + 4 Code. The



In the new automated system, an optical character reader "reads" the city, state, and ZIP Code (as in the example above). At the destination post

Service believes lower costs will be an adequate incentive for many large-volume mailers to convert their mailing address lists to the nine-digit code.



Endorsing ZIP+4 with Some Qualifications

ZIP + 4 has been a controversial and often emotional issue. After the Service originally announced its plans, the public expressed concern about having more numbers imposed on them, and mailers were concerned about the costs of converting their address files to ZIP + 4. In 1981 the Congress

responded to these concerns and expressed its own concerns about the accuracy of the Service's savings projections and the reliability of the equipment. It put a hold on the Service's plans to implement ZIP + 4 and asked GAO to review the proposed program and its potential effects on mailers.

In January 1983, GAO reported to the Congress that although ZIP + 4 was

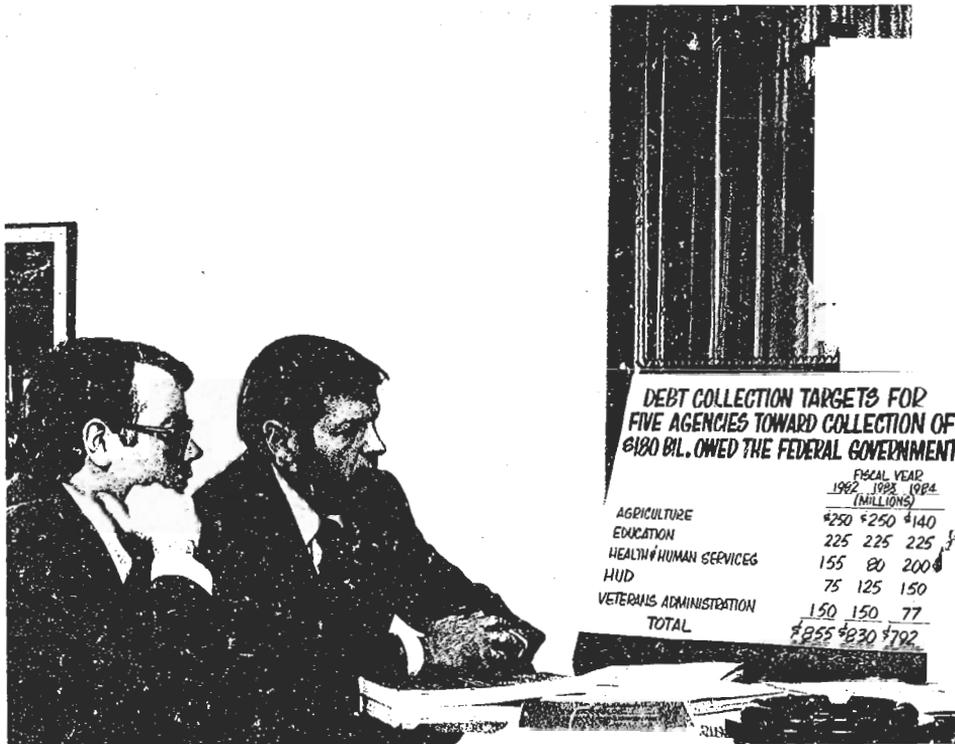
potentially cost effective, the risks and uncertainties involved could not be fully assessed at that time. GAO, however, endorsed both the planned automation and ZIP + 4, provided the Service could (1) demonstrate that the automated equipment would perform satisfactorily, (2) establish a postage rate incentive for large-volume ZIP + 4 mailers, and (3) be reasonably assured that the incentive would result in sufficient use to make ZIP + 4 cost effective.

GAO continued to provide the Congress with information it needed in deciding whether to take further action regarding the Service's plans to implement ZIP + 4. In September 1983, GAO restated its endorsement of ZIP + 4 but reported that:

- Performance of the automated mail processing equipment was still uncertain. However, with sufficient management attention, the Service should be able to bring the equipment's performance up to or close to contract specifications.
- Improvements were still needed in the Service's program to improve the readability of mail addresses.

In the future, GAO plans to assess the operational performance of the automated equipment and the implementation of the ZIP + 4 program.

Debt Collection



Debt Collection Is a Government-wide Problem

Fiscal year 1983 marked significant accomplishments in the debt collection area. The Congress enacted the Debt Collection Act of 1982 in October, and in December the Office of Management and Budget (OMB) reported that an additional \$2 billion had been collected through aggressive debt collection efforts. Further, based on a review of actions by six federal agencies, GAO reported in April 1983 how the increased focus on debt collection had significantly strengthened collection practices. Although these are great

strides, continuing congressional, GAO, and OMB involvement is imperative to ensure that efforts underway and planned are successfully completed.

Urging Action To Reduce Delinquent Debts

Debts owed the government are enormous and growing each year. Federal agencies reported that, at the beginning of fiscal year 1983, U.S. citizens and organizations owed approximately \$200 billion, with about \$38 billion delinquent. This delinquent amount increased some 58 percent in just 3 years. Delinquencies other than unpaid



be improved and certain private sector collection practices be adopted. In a March 1981 report, GAO estimated that billions of dollars could be collected if much stronger policies, procedures, and systems were put in place and carried out aggressively.

In concert with GAO's earlier recommendations, the Office of Management and Budget initiated its 1979 Debt Collection Project, which instituted systems in federal agencies to better record and classify amounts due the government. And in April 1981 the administration introduced comprehensive debt collection legislation. Its passage would equip federal agencies with many of the collection tools available in the private sector—such as the use of private collection firms. GAO testified in support of this legislation, which the Congress passed as the Debt Collection Act of 1982 and the President signed on October 25, 1982.

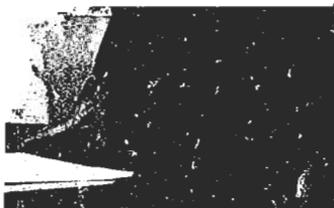
Reporting Significant Improvements in Debt Collection Procedures

This past year, GAO reviewed the administration's efforts to strengthen debt collection and found that OMB, through a well-structured program, effectively maintained oversight of the administration's initiative.

As a result of OMB's emphasis on strengthening debt collection, five of the six federal agencies GAO reviewed increased total collections in at least some of their programs. In general, the six agencies tackled such longstanding debt collection problems as loan supervision and servicing, effective use of personnel resources, training of field

personnel, and proper control and reporting of financial information. GAO concluded that the prospects for further improvements in debt collection look good for fiscal years 1983-1985.

The administration plans to continue its emphasis on debt collection, and its efforts should be enhanced by implementation of the Debt Collection Act of 1982. A great deal, however, remains to be done to reduce the delinquent debt owed the government. On one front, GAO testified in September 1983 in support of reducing federal tax refunds due to debtors by the amount of their delinquent debts. Also, new automated accounting systems need to be designed and implemented. And, of course, OMB's continued oversight is imperative to ensure that federal agencies give debt collection sustained, high priority attention.



taxes amounted to more than \$14 billion in 1983.

GAO has long called for strengthened government debt collection. In October 1978, GAO reported that the government was not doing an effective job of accounting for and collecting debts; the federal agencies were not promptly and aggressively making collections, and their accounting and reporting of amounts due was inaccurate. In a 1979 report, GAO noted that the government's collection methods were slow, expensive, and ineffective when compared with commercial practices and recommended that financial reporting

Legal Decisions on Federal Spending

Comptroller General Advises and Decides on the Use of Federal Funds

The activities of the federal government are carried out under numerous legal authorities, directives, and restrictions governing the expenditure of public funds. However, the legislative and executive branches often differ over how statutes and regulations should be interpreted, and frequently federal administrators are uncertain about the limits of their authority. Further, members of the public may be aggrieved by spending decisions that federal agencies make.

The Comptroller General, through his Office of the General Counsel, assists in resolving issues related to the propriety of public expenditures, whether such issues arise out of congressional, executive branch, or citizen requests, or whether they are uncovered in the course of GAO audits and evaluations. Comptroller General decisions serve not only to resolve troublesome issues directly but also to establish greater uniformity in the administration of government overall.

Defining the Navy's Authority in Ship Leasing

In 1983 the Department of the Navy asked GAO to decide the limits of its authority in a major ship leasing arrangement.

The Navy wished to acquire extensive cargo shipping capability—but the nearly \$1 billion necessary to buy the ships was not in its appropriations. As an alternative to buying, the service sought to lease the ships; however, the commitments required under such an arrangement called the Navy's authority into question. The Navy was convinced that its authority extended to such an arrangement, but recognizing the considerable, and legitimate, cause for concern with the planned approach, the service sought a Comptroller General decision on the matter.

GAO's opinion cleared the way for the Navy's plan to proceed. By submitting the issue for a Comptroller General decision, the Navy was able to obtain a definition of its authority, while at the same time troublesome aspects of the program were placed under study for the purpose of determining, legislatively or administratively, the course that similar procurements should take in the future.

Settling Disputes over Federal Pay and Benefits

GAO is frequently called on to decide claims for pay and benefits due federal employees or their survivors. Sometimes the law in its literal terms is harsh. In 1983 GAO reevaluated a long-standing position on military survivor benefits for children who are physically or mentally incapable of supporting themselves. This position was unintentionally discouraging these children from working. If these children obtained jobs—even at minimal pay in a sheltered workshop—they would be considered self-supporting and forced off the benefit rolls upon reaching 21 years of age. GAO reversed the previous position, thereby permitting beneficiaries to collect their pensions as long as they remained incapable of earning enough to support themselves in a reasonable manner.

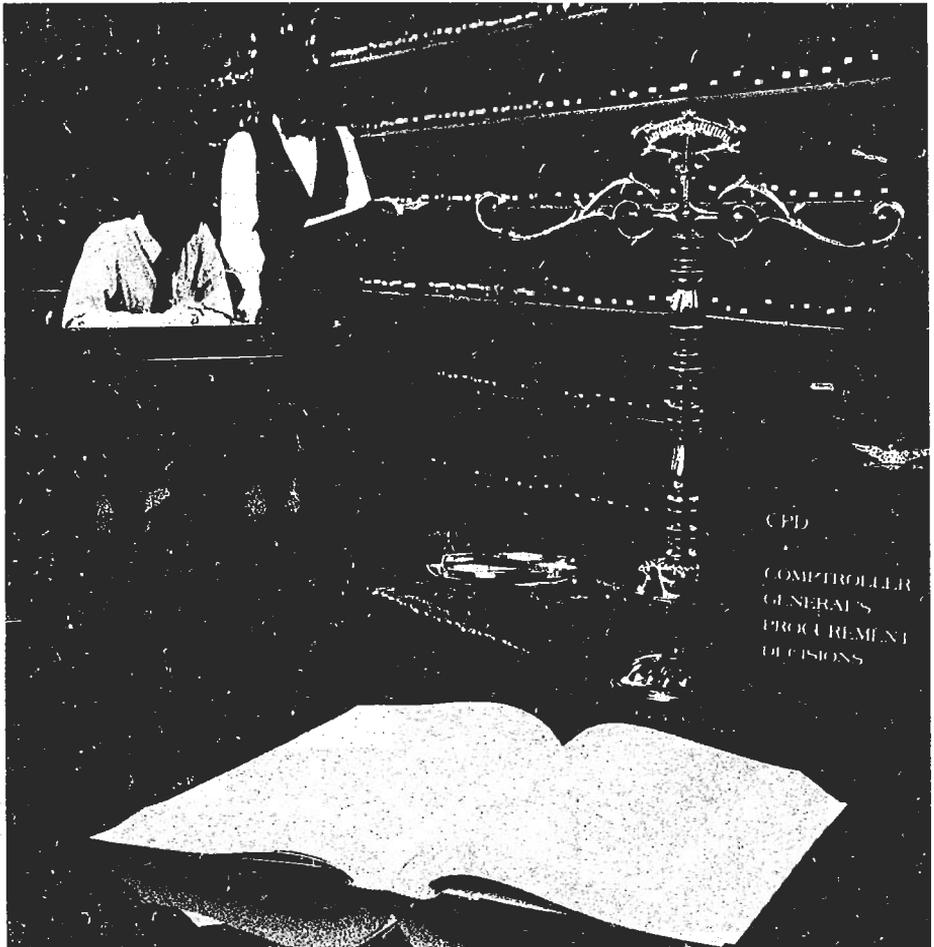
Deciding on Government Procurement Protests

Government procurement regulations and procedures are founded on the concept of obtaining the widest competition feasible and are designed essentially to assure that needed goods and services are acquired at reasonable prices. Those seeking to contract with the government often conclude that they have been denied contracts which, under the rules, should rightfully have been theirs. In such cases, the aggrieved party may ask the Comptroller General to decide whether the procuring agency's choice had been prejudiced.

In considering some 2,500 cases of this kind—called “bid protests”—filed annually, the Comptroller General renders decisions that provide detailed guidance on how the law and regula-

tions on federal procurement should be applied. Specific forms of relief are provided in cases of agency error, and in a significant number of instances, GAO provides advisory opinions at the

request of federal judges who are considering similar complaints before their courts.



CPD
COMPTROLLER
GENERAL'S
PROCUREMENT
DECISIONS

United States General Accounting Office Locations

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GAO

Comptroller General
of the United States
Washington, DC 20543

D-119600

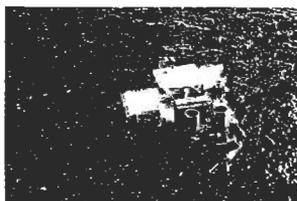
February 23, 1964

To the President of the Senate and the Speaker
of the House of Representatives

In accordance with section 213 (a) of
the Budget and Accounting Act of 1954,
I respectfully submit the annual report of the
activities of the U.S. General Accounting Office
during the fiscal year ended September 30, 1963.



Charles A. Bowcher,
Comptroller General of the United States



Comptrollers General of the United States

Deputy Comptrollers General of the United States

The Comptrollers and Deputy Comptrollers General¹ are appointed to their 15-year terms by the President. In determining whom to nominate, the President considers selecting one of at least three nominees provided by a Commission of the House and Senate leaders. The Comptroller General also serves on the Commission which develops a list of nominees for the Deputy Comptroller General position. The Senate must confirm both appointments.

John R. McCarl

July 1, 1921 - June 30, 1936

Fred H. Brown

April 11, 1939 - June 19, 1940

Lindsay C. Warren

November 1, 1940 - April 30, 1954

Joseph Campbell

December 14, 1954 - July 31, 1965

Eimer B. Staats

March 4, 1966 - March 3, 1981

Charles A. Bowsler

October 1, 1981 -

Lurtin R. Ginn

July 1, 1921 - November 11, 1930

Richard N. Elliott

March 5, 1931 - April 30, 1943

Frank L. Yates

May 1, 1943 - June 29, 1953

Frank H. Weitzel

October 12, 1953 - January 17, 1969

Robert F. Keller

October 3, 1969 - February 29, 1980

¹ Prior to enactment of Public Law 93-51 (approved July 9, 1974). This appointment was entitled *Assistant Comptroller General*.

Contents

Chapter One

Summary of Activities

Assistance to the Congress	1
Auditing and Evaluation	2
Financial Management Improvement	4
Accomplishments	5
Impact of New Legislation on GAO Operations	5
Noteworthy Activities	5
Operating Expenses	6
Staffing	6
Participation on Boards, Councils, and Commissions	6
Organization	7

Chapter Two

Legislative Recommendations

Legislative Recommendations Acted on by the Congress During the Fiscal Year Ended September 30, 1983	13
Open Legislative Recommendations Made During the Fiscal Year Ended September 30, 1983	26
Open Legislative Recommendations from Prior Years	31

Chapter Three

Financial Benefits and Other Accomplishments

GAO's Measurable Dollar Accomplishments	47
Collections and Increased Revenues	48
Terminations of Programs or Activities	49
Reduced Government Payments to Employees and Program Beneficiaries	50
Other Cost Reductions	51
Miscellaneous Dollar Accomplishments	53
Additional Dollar Accomplishments Not Fully or Readily Measurable	54
Other Benefits	57

Appendix One

<i>Number of Audit Reports Issued During Fiscal Year 1983</i>	62
---	----

Appendix Two

<i>Catalog Of Audit Reports Issued During Fiscal Year 1983</i>	63
--	----

Appendix Three

<i>Summary of Personnel Assigned to Congressional Committees, Fiscal Year 1983</i>	103
--	-----

Appendix Four

<i>Descriptions of Major Organizational Units of GAO</i>	107
--	-----

Appendix Five

<i>Legislation Enacted During Fiscal Year 1983 Relating to the Work of the General Accounting Office</i>	111
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Chapter One

Summary of Activities

Fiscal year 1983 was one in which the General Accounting Office continued to improve its systems for getting the results of its work to the Congress and the public at the most useful point in the decisionmaking process and in the most appropriate format. Organizational realignments saw consolidation of defense work in a single division, establishment of an information resource management division, and creation of a separate office to enhance the quality of GAO's work.

Complementing these structural changes was the introduction of design, methodology, and technical assistance groups in GAO's major divisions. These interdisciplinary advisory teams will assist the agency's auditors and evaluators in selecting the most appropriate approach for achieving the objectives of an assignment at reasonable cost. In addition, GAO has enhanced the training programs for its staff, especially in the ADP area.

GAO has also begun to examine not only federal programs themselves, but also the way departments and agencies are managing their overall operations. In establishing separate units for management reviews in each of GAO's program divisions, the Comptroller General intends to bring together GAO's work on agencies' programs, internal controls, and ADP resource use. This will enable GAO to provide better information to the Congress and the executive agencies on the adequacy of overall management efforts. Ultimately, well-managed agencies foster fuller achievement of the results the Congress intended in establishing the programs.

A major focus of GAO's fiscal year 1983 work was implementing its role under the Federal Managers' Financial Integrity Act. In June 1983, the Comptroller General issued the first internal control standards for executive departments and agencies, as mandated by the act. Work is underway to evaluate the executive branch agencies' own efforts to appraise their internal control systems and develop ways to bring these management systems into compliance with the GAO standards.

Fiscal year 1983 also saw the release of a GAO study which examined 12 management improvement projects operated under the aegis of the Office of Management and Budget. In considering the initiatives, which were underway from 1970 to 1980, this staff study presents observations which can be used to better sustain future management improvement initiatives. It also sets forth a series of "not mutually exclusive" proposals to create a more conducive environment for improving government management.

All of these actions are designed to fulfill GAO's major functions, which are to

- assist the Congress in its legislative and oversight responsibilities,
- audit and evaluate programs, activities, and financial operations of federal departments and agencies,
- prescribe standards for financial control and related functions with respect to most federal government programs and operations, and
- provide legal services and perform accounting and claims settlement work.

To fulfill these functions, GAO has a headquarters office and approximately 80 audit sites in the Washington, D.C., area. It also maintains 15 regional offices throughout the continental United States, a branch office in Honolulu, and foreign branch offices in Frankfurt and Brno City.

ASSISTANCE TO THE CONGRESS

GAO's work is performed under the authority provided in its basic statutes, as a result of specific legislative mandates, or through specific requests by committees or Members of the Congress. Work in the last two categories accounted for about 44 percent of that done by GAO's audit and evaluation staff during fiscal year 1983.

The results of this and much of the other GAO work are reflected in the 755 reports issued throughout the year. About 68 percent of these were submitted to the Congress, its committees, or Members. Many of the remain-

ing 32 percent addressed to federal agency officials were also provided to interested committees or Members. All reports, except the relatively few classified for national security reasons, are available to the general public.

Table 1
Reports Issued in Fiscal Year 1983

Congressional reports	
To the Congress	108
To congressional committees	310
To Members of the Congress	94
Reports to federal agency officials	
	243
TOTAL	755

GAO staff maintain close contact with congressional committees to ensure that they are fully aware of those issues on which the committees are most likely to need information. GAO's Office of Congressional Relations, which coordinates all of GAO's assistance to the Congress, is in continuous contact with committees and Members.

Reporting Results of GAO Work

GAO communicates the results of its work through its reports, noted previously, testimony before congressional committees, informal briefings to Members of the Congress, legal opinions, and advice on pending legislation. The reports, the most common communication vehicle, often contain recommendations for congressional or agency action. Chapter 2 of this report presents legislative recommendations on which the Congress acted this year, plus those on which final action had not yet been taken.

Two other special annual reports—one on civil activities, the other on defense activities—highlight matters GAO believes deserve particular congressional attention. Each year, these reports summarize important GAO conclusions and recommendations on which satisfactory department or agency action has not been taken. These are highlighted so that the Congress can consider this lack of action during the appropriation process.

A Monthly List of GAO Reports

(required by the Legislative Reorganization Act of 1970) is sent to every committee and Member. This publication identifies and summarizes reports released each month and provides information for obtaining copies.

Committee and Member Requests

In fiscal year 1983, GAO's operating divisions received 639 requests from committees and 467 requests from Members for specific work. The Budget and Accounting Act of 1921 requires GAO to perform investigations and furnish information and assistance to the Congress and congressional committees which have jurisdiction over revenue, appropriations, or expenditures. The Legislative Reorganization Act of 1970 directs GAO to review the results of government programs and activities at the request of any committee having jurisdiction over such matters.

Some of the requests entail substantial work to develop the requisite information, while others can be more readily responded to based on past or current work or the general expertise of GAO's staff. In addition to formal reports issued to committees and Members, GAO satisfied many requests through testimony, briefings, correspondence not categorized as reports, or by furnishing the needed information informally. Table 2 lists the committees for which formal, written reports were completed during the year. Some of the reports were addressed to more than one committee.

Table 2
Committees Receiving Reports in FY 1983

Senate Committees	174
House Committees	231
Officers of the Congress	8
Joint Committees	11
TOTAL	424

GAO also responded to 136 Member requests concerning claims by and against the U.S. government involving government contracts, employee pay and allowances, and travel and transportation.

Testimony and Briefings

The Comptroller General and senior GAO staff testified before congressional committees 154 times during fiscal year 1983. In less formal settings, GAO staff also briefed congressional committees, Members, and their staffs on GAO work which interested them. These briefings encompass the results of completed work or data on ongoing work which is sufficiently complete to provide pertinent information.

GAO also provided committees with information to use in examining other witnesses who testify before them.

Staff Assignments to Committees

On request, 90 staff worked with the staff of 28 committees and subcommittees during the year. As required by the Legislative Reorganization Act of 1970, details concerning these assignments are shown in Appendix 3.

Legal Opinions and Interpretations and Comments on Pending Legislation

Frequently, committees and Members of Congress ask GAO for formal and informal legal opinions, advice, and assistance. They also solicit GAO's views on contractual, fiscal, and administrative provisions of law; opinions on drafts of or revisions to legislation; and views on administrative regulations.

In fiscal year 1983, GAO provided 408 legal opinions and interpretations. One hundred forty eight of these were for the Senate and 260 were for the House. Table 3 shows a profile of this work.

GAO's continuing analyses of government programs and activities and its expertise in law and the federal legislative process enable it to give congressional committees objective comments on proposed legislation. During fiscal year 1983, GAO provided comments on 34 pieces of pending legislation.

AUDITING AND EVALUATION

That segment of its work for which GAO is best known is its audits and evaluations of federal programs, activities, and financial operations. This work covers not only the results and

Table 3

FY 1983 Legal Opinions and Legislative Interpretations

Senate Committees	
Agriculture, Nutrition, and Forestry	1
Appropriations	20
Armed Services	6
Banking, Housing, and Urban Affairs	5
Budget	3
Commerce, Science, and Transportation	7
Energy and Natural Resources	23
Environment and Public Works	7
Finance	7
Foreign Relations	4
Governmental Affairs	37
Labor and Human Resources	19
Judiciary	5
Veterans' Affairs	3
Aging (Select Committee)	1
Senate TOTAL	148
House Committees	
Agriculture	2
Appropriations	22
Armed Services	7
Banking, Finance and Urban Affairs	3
Budget	8
Education and Labor	8
Foreign Affairs	7
Government Operations	57
House Administration	2
Interior and Insular Affairs	12
Energy and Commerce	47
Judiciary	11
Merchant Marine and Fisheries	9
Post Office and Civil Service	28
Public Works and Transportation	5
Science and Technology	17
Small Business	2
Veterans' Affairs	2
Ways and Means	10
Aging (Select Committee)	1
House TOTAL	260
Grand TOTAL	408

agencies, but also those of their contractors and grantees.

While GAO's name might imply that it keeps the accounts of the federal government, the financial reporting system of the U.S. government is actually a very decentralized one, with

the executive agencies reporting their expenditures directly to the Department of the Treasury. Nor does GAO annually compile or certify a consolidated financial statement for the U.S. government. Instead, the Treasury Department collects, aggregates, and reports this financial information. In fiscal year 1983, the Secretary of the Treasury and the Comptroller General issued a prototype consolidated financial statement for the U.S. government. By focusing on the cumulative assets, liabilities, and other claims on future resources, this report provides a useful perspective on the financial condition of the government, different from that provided by the budget.

Currently, the focus of GAO's work is accountability. Thus, its work

- evaluates the efficiency, economy, legality, and effectiveness with which federal agencies and those who receive their funds fulfill their financial, management, and program responsibilities and
- provides the Congress and federal officials with objective information, conclusions, and recommendations intended to help them carry out their work.

GAO's audits and evaluations involve nearly every federal agency. During fiscal year 1983, assignments were performed in the United States, Guam, American Samoa, the Trust Territory of the Pacific, Taiwan, and 60 foreign countries. At any given time, GAO had approximately 1,050 assignments underway.

An entity as large and complex as the U.S. government cannot be fully evaluated each fiscal year, or even every few years. The size of government, combined with GAO's staff limitations, makes it especially important that GAO carefully select which programs and activities to review. GAO's policy is to use its staff where its work will best promote improved government operations.

Table 4

GAO Issue Areas and Responsible Lead Divisions

<i>Accounting and Financial Reporting</i>	<i>Accounting and Financial Management Division</i>
<i>Internal Audit</i>	
<i>National Productivity</i>	
<i>Civilian Personnel Management</i>	<i>General Government Division</i>
<i>Federal Oversight of Financial Institutions</i>	
<i>Intergovernmental Policies and Fiscal Relations</i>	
<i>Law Enforcement and Crime Prevention</i>	
<i>Tax Administration</i>	
<i>Consumer and Worker Protection</i>	<i>Human Resources Division</i>
<i>Employment and Training</i>	
<i>Federally Sponsored or Assisted Education Programs</i>	
<i>Federally Sponsored or Assisted Health Programs</i>	
<i>Income Security and Social Services</i>	
<i>Automatic Data Processing</i>	<i>Information Management and Technology Division</i>
<i>Information Management</i>	
<i>Evaluation, Assistance, Performance, and Utilization</i>	<i>Institute for Program Evaluation</i>
<i>Communications, Command, Control, and Intelligence</i>	<i>National Security and International Affairs Division</i>
<i>Facilities Acquisition and Management</i>	
<i>General Procurement</i>	
<i>International Affairs</i>	
<i>Logistics Management</i>	
<i>Military Personnel Management</i>	
<i>Military Readiness, Mobilization Planning, and Civil Preparedness</i>	
<i>Mission Analysis</i>	
<i>Systems Development and Acquisition</i>	
<i>Economic Analysis of Alternative Program Approaches</i>	<i>Office of Chief Economist</i>
<i>Program and Budget Information for Congressional Use</i>	<i>Program and Budget Information Staff</i>
<i>Food</i>	<i>Resources, Community and Economic Development Division</i>
<i>Domestic Housing and Community Development Programs</i>	
<i>Environmental Protection Programs</i>	
<i>Land Use Planning, Management, and Control</i>	
<i>Transportation Systems and Policies</i>	
<i>Water and Water-Related Programs</i>	
<i>Science and Technology</i>	
<i>Energy</i>	
<i>Materials</i>	

In addition to that work done in response to direct congressional request, GAO is continually aware of the major issues before the Congress through its regular contact with congressional committees. GAO also shares information with the Congressional Budget Office, the Congressional Research Service, and the Office of Technology Assessment. This exchange, which was strengthened during the year, enhances GAO's products and helps the four congressional support agencies avoid unnecessarily duplicating one another's work.

GAO focuses on the information needs of the Congress and on the importance of many complex subjects through its strategic planning process. The many subjects of national importance which are addressed through this process are expressed as "issue areas." Each GAO division or entity is responsible for one or more of these key areas, and, as such, develops for each area the agency's strategic plan and coordinates any work undertaken in that area. Table 4 lists the 36 issue areas and responsible lead divisions and offices.

To further streamline this planning process and permit the most effective use of GAO's resources, the Comptroller General has initiated periodic reviews of all issue areas. In this way, GAO can determine whether the current alignment of issues remains accurate or needs to be revised. In addition, GAO is developing a new strategy for determining which work needs to be done over a multiyear period, to meet longer term objectives, and which can be initiated in the upcoming year. The streamlined planning process also ties more closely to GAO's staffing and budgeting systems and ensures input from top outside experts.

Legal Services and Decisions

The legal work undertaken by GAO deals with the full range of government activities. During fiscal year 1983, GAO's Office of the General Counsel disposed of 5,328 separate legal matters. GAO renders legal decisions and advice to

- congressional committees, Members of the Congress, the Attorney General,

the Office of Management and Budget, and other federal officials,

- heads of federal agencies and disbursing and certifying officers on the legality or propriety of proposed expenditures of public funds,
- officers or employees with delegated authority to request relief on behalf of accountable and certifying officers,
- contracting and procurement officers and bidders, in connection with government contracts,
- debtors and creditors of the government who are dissatisfied with the handling of their affairs by other agencies, and
- GAO staff in their reviews of agency programs and activities.

The Comptroller General's decisions on the legality of expenditures are binding on the executive branch. Payments made contrary to them may be disallowed. While the decisions are binding on executive branch officials, private firms and individuals have further recourse to the courts, in most instances.

Table 5 summarizes legal matters resolved during the year.

Table 5
Legal Matters Resolved in
Fiscal Year 1983

<i>Procurement and Transportation</i>	3,172
<i>Personnel Law</i>	1,067
<i>General Government Matters</i>	630
<i>Special Studies and Analyses</i>	459
TOTAL matters disposed of	5,328

Settlement of Claims

Claims against the United States are referred to GAO because of statutory requirements or because they involve questions of law or fact. In fiscal year 1983, GAO

- authorized payments of over \$573 million resulting from claims against the United States,
- disposed of 5,886 debt claims and collected over \$2 million, and
- granted 771 full or partial waivers of repayment of erroneous pay and allowances out of 824 requests—a total of \$3.7 million out of \$4.0 million.

FINANCIAL MANAGEMENT IMPROVEMENT

The Budget and Accounting Act of 1950 established and assigned basic responsibilities for financial management within the federal government. The act charges GAO with

- prescribing accounting principles, standards, and related requirements to guide the executive agencies,
- cooperating with executive agencies in developing and improving their accounting systems, and
- approving executive agency accounting systems when they are found adequate and in conformance with the prescribed principles, standards, and related requirements.

In September 1982, the Budget and Accounting Act was amended by the Federal Managers' Financial Integrity Act of 1982, which further strengthened financial management. Specifically, this amendment requires the head of each executive agency to report on (1) whether the agency's internal controls comply with the GAO internal control standards and (2) whether the agency's accounting systems conform to the GAO accounting principles and standards.

During fiscal year 1983, GAO revised and updated the accounting principles and standards and issued the *Standards for Internal Controls in the Federal Government*. The standards set the minimum requirements for an agency's internal control systems under the Financial Integrity Act.

GAO has actively assisted executive agencies in improving their accounting systems. GAO consulted with the Office of Management and Budget in the development of guidelines for agencies to use in evaluating their systems of internal control to comply with the Financial Integrity Act. Also, GAO has initiated a major effort to review executive agencies' implementation of the act.

Under the Joint Financial Management Improvement Program, the Comptroller General, the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Director of the Office of Personnel Management

are charged by the Budget and Accounting Act of 1950 with improving financial management practices throughout the federal government. GAO continued cooperative work in the program during the fiscal year. The program's progress is reported separately for use by the Congress, federal agencies, and the public.

In April 1983, GAO revised its methodology for approving agency accounting systems. Systems approvals will be based on operational results of agencies' accounting systems.

ACCOMPLISHMENTS

Many of the results of GAO's work can be expressed in terms of dollars saved by the federal government. However, others are less quantifiable but may lead to increased efficiency, improved day-to-day operations, or enhanced well-being of individual citizens. GAO records results in both categories, and includes in its tabulations actions taken by the Congress, federal agencies, and others in response to GAO's suggestions and recommendations.

In fiscal year 1983, GAO identified measurable accomplishments of \$4.5 billion which were directly related to its work. Many of these accomplishments involved changes advocated by others, in addition to GAO.

Examples of some of the savings which accrued to the federal government as a result of GAO's work include a report which noted that the Army was awarding enlistment and reenlistment bonuses to individuals who were not eligible for them. GAO recommended that more stringent bonus criteria be applied. To encourage the Army to implement this recommendation, the Congress reduced the Army's budget request for this program by \$14.2 million in fiscal year 1983.

GAO also reviewed the armed services' justifications for fiscal year 1983 for ammunition procurement and found that some planned inventory levels would have exceeded requirements, several procurements were premature, and some cost estimates were overstated. GAO proposed, and the Con-

gress adopted, a number of line item budget reductions totaling \$526.7 million.

In a report to the Secretary of Health and Human Services (HHS), GAO pointed out that certain Medicare payments were not consistent with the Social Security Act or HHS regulations. GAO recommended that these payments be terminated, and in 1982 HHS issued regulations eliminating these payments. As a result, annual Social Security costs will decrease by about \$39 million.

In addition to quantifiable accomplishments, GAO reports often lead to improvements which are not so readily measured. Their importance, however, can be equally great. For example, GAO reported that 16 of 62 randomly selected meat and poultry slaughter plants were rated as not acceptably complying with one or more federal inspection program requirements. GAO made several recommendations to better assure that meat and poultry plants produce only wholesome and unadulterated products. The Department of Agriculture agreed with virtually all of the recommendations, and has taken several steps, including strengthening the Department's quality acceptance testing programs, to address the problems.

IMPACT OF NEW LEGISLATION ON GAO OPERATIONS

New legislation continues to add to GAO's responsibilities. Some of those laws direct the *Comptroller General* to audit specific programs, while others, for example, call for him to promulgate standards or evaluate data systems.

Public Law 97-363 (Oct. 25, 1982, 96 Stat. 1734) requires annual audits of funds expended under grants and contracts pertaining to refugee resettlement programs (96 Stat. 1736). Another example is Public Law 97-425 (Jan. 7, 1983, 96 Stat. 2201), which requires that the *Comptroller General* annually audit the Office of Civilian Radioactive Waste Management.

The Debt Collection Act of 1982, Public Law 97-365 (Oct. 25, 1982, 96 Stat. 1749), provides that agency heads

may promulgate regulations, noting those circumstances in which collection of interest and charges may be waived. These regulations must comply with standards to be jointly established by the Attorney General and the *Comptroller General*.

Public Law 98-94 (Sept. 24, 1983, 97 Stat. 614) requires that a detailed financial analysis and report on the projected cost of the 100 B-1B bomber aircraft be submitted to the Congress by the Secretary of Defense. The report is to be reviewed by the *Comptroller General*, and GAO is to be provided any additional data required to complete the review.

Appendix 5 provides a complete list of legislation enacted in fiscal year 1983 which is directly related to GAO's work.

NOTEWORTHY ACTIVITIES

GAO is continually involved in many activities which help promote its accounting, auditing, and internal control standards and expose others to its way of doing business. Presented here are some of GAO's involvements in the intergovernmental and international arenas.

GAO is often visited by groups and individuals from foreign countries interested in learning more about the organization and how it functions. Visitors frequently are members of their national audit offices or other government entities. The resulting exchange of ideas and practices has been beneficial to the visitors and to GAO. In the past year, for example, the Public Accounts Committee of the United Kingdom came to GAO to gain an understanding of GAO's audit responsibilities with regard to government corporations. The Committee applied what it learned as it held hearings on expanding the scope of responsibility of the *Comptroller and Auditor General* of the United Kingdom.

GAO also sponsored its fifth International Auditor Fellowship Program. The program's purpose is to support the professional growth of audit organizations in developing countries by

sharing GAO's technical audit expertise. Beginning in July 1983, GAO hosted 17 auditors for the 3-month program. Participants came from Bangladesh, Burma, Cyprus, Egypt, Ethiopia, Hong Kong, Indonesia, Kenya, Malaysia, Malawi, Nepal, Nigeria, Pakistan, Peru, Saudi Arabia, Sri Lanka, and Tanzania. Many were funded by the U.S. Agency for International Development or the United Nations Development Program, while others paid for their own travel and subsistence expenses.

GAO continued its leadership role for the Intergovernmental Audit Forums, which are composed of a national forum and 10 regional forums. The forums are autonomous groups which, together, have three common objectives: improve the coverage and quality of auditing at all levels of government, enhance the cooperation and coordination of audit of intergovernmental programs, and serve as a vehicle for the free and open exchange of news among government audit executives.

To enhance the representative nature of the national forum, the chairs of the 10 regional forums have been made members of the national group, which is composed of federal, state, and local audit executives. This will greatly expand the forums' abilities to address major issues in the intergovernmental audit arena.

OPERATING EXPENSES

The fiscal year 1983 appropriation for GAO was \$253 million. Total operating expenses for the period were \$252.1 million, with an obligated balance of \$9 million lapsing back to the U.S. Treasury. Personnel compensation and benefits comprised \$193.7 million, or 77 percent, of total expenditures.

Travel and other objects comprised 5 percent and 18 percent respectively.

During the year, GAO received approximately \$450,338 in reimbursements for services rendered to House and Senate Committees, private organizations, etc., all of which was applied to GAO's appropriation. GAO deposited in the U.S. Treasury \$8 million in receipts for audit services and other miscellaneous services.

Table 6

<i>Analysis of Staff Changes</i>	<i>Audit, Evaluation, and General Management Staff</i>	<i>Other</i>	<i>Total</i>
<i>Employees on rolls at Oct. 1, 1982</i>	4,088	898	4,986
<i>Appointments</i>	142	382	524
<i>Transfers between categories</i>	54	-54	0
TOTAL	4,284	1,226	5,510
<i>Resignations</i>	74	136	210
<i>Retirements</i>	16	51	67
<i>Appointments in other agencies</i>	31	123	154
<i>Other separations</i>	9	15	24
TOTAL separations	130	325	455
<i>Employees on rolls at Sept. 30, 1983</i>	4,154	901	5,055

STAFFING

GAO's greatest asset is a competent, dedicated, and enthusiastic staff. As of September 30, 1983, GAO had 5,055 employees, a slight increase over last year. Of these, 4,154, or 82 percent, were members of the audit, evaluation, and general management staff. Table 6 shows staff changes during the year.

Because in the past several years GAO has expanded its expertise to evaluate increasingly complex government programs, GAO is employing and developing individuals with varied backgrounds and levels of expertise. Maintaining high professional standards is a priority.

In fiscal year 1980, the "GAO evaluator" job series was adopted to describe more accurately the unique nature of GAO's work. The series takes into account the direct congressional contact, political sensitivity, and multi-agency purview that characterize much of GAO's work. For the most part, GAO evaluators were previously classified as accountants, auditors, and management analysts. Table 7 summarizes the composition of our staff at year's end.

GAO's diverse and complex responsibilities require staff members who have functional expertise, supervisory capability, and versatility. The evaluation staff members can get wide experience and broaden their own perspectives of government operations by auditing a

variety of federal programs, or they can expand their expertise by remaining in a functional area. GAO considers both individual and office needs in making staff assignments.

GAO's equal employment profile continues to improve. Minorities and women now comprise 44 percent of GAO's total work force—a gain of 2 percent over the previous year. Additional gains are evident at the professional level, where minorities and women represent 33 percent of the staff as compared with 31 percent in 1982.

PARTICIPATION ON BOARDS, COUNCILS, AND COMMISSIONS

On occasion, the Comptroller General is appointed, either by statutory or administrative actions, to serve on special boards or commissions. During fiscal year 1983, he served as a member of the Chrysler Corporation Loan Guarantee Board (established by Public Law 96-185, Jan. 7, 1980, 93 Stat. 1324). For all intents and purposes, this Board concluded its business when it sold the government-owned warrants which it had received as part of the guarantee arrangement. The Chrysler Corporation repaid its government-guaranteed loans in August.

Table 7
Composition of Staff
(at Sept. 30, 1983)

Audit, Evaluation, and General Management Staff	
Evaluators ¹	3,211
Management auditors/analysts	43
Accountants and auditors	124
Program analysts	13
Attorneys	158
Actuaries and other	
mathematical scientists	55
Engineers	3
Computer and information	
specialists	75
Economists and other	
social scientists	69
Personnel management	
specialists	63
Writer-editors	55
Other	285
TOTAL staff in these categories	4,154
Other	
Administrative and clerical	857
Wage board	44
TOTAL other staff	901
TOTAL	5,055

¹Evaluators form the core of the GAO staff who assess federal programs and activities. Accountants and auditors are those who do primarily financial audits, while management and program analysts tend to work on internal GAO assessments and analyses.

The United States Railway Association Board, on which the Comptroller General serves (Public Law 97-35, Aug. 13, 1981, 95 Stat. 674), made a determination, required by law, concerning the profitability of Conrail, the federally owned freight railroad, over the next 5 years.

Other bodies on which the Comptroller General serves include

- the Advisory Council for the Office of Technology Assessment (Public Law 92-484, Dec. 13, 1972, 86 Stat. 800) and
- the President's Management Improvement Council (Executive Order 12167, Sept. 14, 1979).

ORGANIZATION

The accompanying organization chart depicts GAO's organization as of October 1, 1983. Fiscal year 1983 was one of transition for GAO's organization. Considering the changing environment, several modifications were made as part of the Comptroller General's long-term goal to build a more cohesive organization which will better serve the Congress and be a more rewarding place to work. Highlighting some of the major changes of the past year were the following:

- The Office of the Comptroller General was expanded to include an Assistant Comptroller General for Planning and Reporting and an Assistant Comptroller General for Operations. This expanded office was designed to provide a single focus for coordinating and directing the entire organization. Regions and headquarters divisions all reflect this organizational alignment of an assistant for planning and reporting and one for operations.

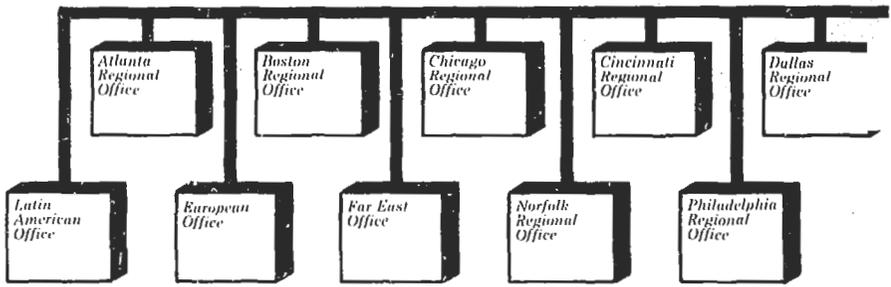
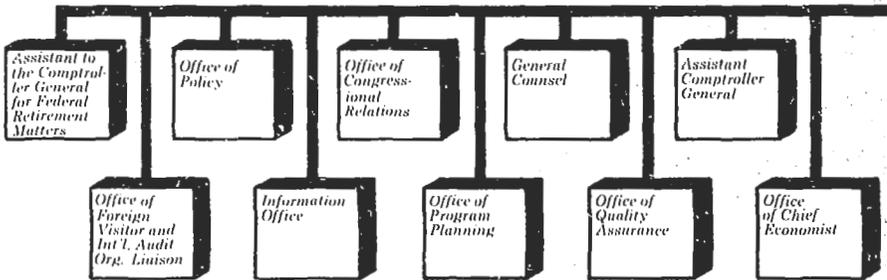
- The National Security and International Affairs Division was created to consolidate GAO's work pertaining to national defense matters, security assistance, and international relations.

- The Information Management and Technology Division was established to consolidate and expand GAO's work related to information resources management, including automatic data processing and communications.

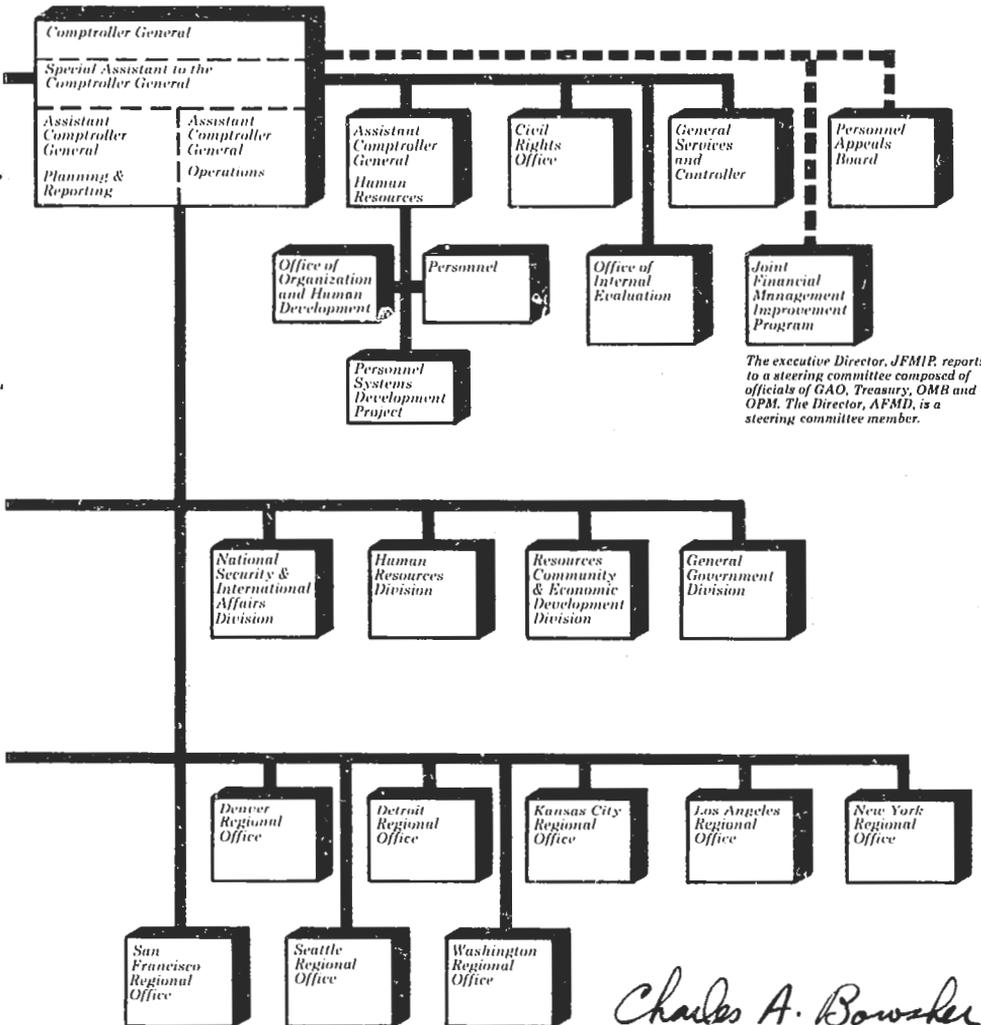
- The Office of Quality Assurance was created to assist the Office of the Comptroller General in identifying ways to enhance quality assurance, improve timeliness, and ensure quality control in GAO's assignments and the products which result from them.

- The Office of the Chief Economist was created to help in overseeing the quality of economic analysis performed throughout GAO and in resolving technical issues which arise during the course of GAO's jobs. This office will also assist the programming divisions in developing needed economic analysis capabilities. On a highly selective basis, the Chief Economist will lead individual studies on especially complex or sensitive economic issues.

- An Assistant to the Comptroller General for Federal Retirement Matters was established to provide a single focus within GAO to monitor and provide GAO's views on the many retirement proposals before the Congress and the executive branch.



United States General Accounting Office



Charles A. Bowsker
Comptroller General of the United States

Chapter Two.

*Legislative
Recommendations*

Legislative Recommendations Acted on by the Congress During the Fiscal Year Ended September 30, 1983

Administration of Justice

The Budget and Accounting Act, 1921, requires GAO to make recommendations to the Congress "looking to greater economy and efficiency in public expenditures" and report such recommendations at the beginning of each congressional session or in special reports at any time. When an audit shows that corrective legislative action is required or desirable, the report includes a proposal for legislative consideration by the Congress or a recommendation to the affected agency to sponsor a legislative proposal.

This chapter summarizes the legislative recommendations considered by the Congress during the fiscal year ended September 30, 1983, and lists open legislative recommendations, made during this period and in prior years, which we still recommend to the attention of the Congress.

More Efficient Service of Civil Process

Federal law pertaining to fees charged by U.S. marshals for serving process for private litigants in federal court needs to be changed. Appropriate changes could reduce federal costs and the marshals' involvement with the process-serving function. We recommended that the Congress enact legislation to give the Attorney General authority to revise periodically the fees charged by marshals for serving civil process for private litigants in federal court and to require that fees provide full recovery of operating costs.

On May 23, 1983, H.R. 3086 was introduced in the House of Representatives. Among other things, the bill incorporates the provision that the Attorney General from time to time prescribe regulations for the fees to be collected by marshals. The bill was referred to the House Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice. The subcommittee held hearings on the bill in June 1983 and marked up the legislation in September. (GGD-82-3, Apr. 22, 1983)

Protecting the Rights of Third Parties and the Safety of Relocated Witnesses

The Witness Security Program is administered by the Justice Department's U.S. Marshals Service and was established to protect witnesses from harm as a result of their testimony against individuals involved in organized criminal activity. While the department has taken steps over the years to improve the services provided to protected witnesses, our evaluation showed that steps needed to be taken to better protect the public as well. Changes are needed to enhance the protection of third-party rights while continuing to ensure the safety of witnesses.

We recommended that the Congress enact legislation to better balance the public and law enforcement interests. Specifically, the legislation should require the Attorney General to disclose a witness' identity to a third party possessing a court judgment against the witness unless available evidence indi-

cates that (1) the disclosure could likely result in harm to the witness or (2) the witness does not have the ability (financial or otherwise) to resolve the judgment. The legislation should also provide, among other things, third parties the right to petition a federal court to review the propriety of a nondisclosure decision.

During the 98th Congress, two bills were introduced to provide a better balance between the protection of third-party rights and the protection of witnesses: S. 1178 and H.R. 3086. In addition, we addressed these issues in testimony before the House Subcommittee on Courts, Civil Liberties, and the Administration of Justice on June 22, 1983. (GGD-83-25, Mar. 17, 1983)

Clandestine Manufacture of Dangerous Drugs

We recommended that the Congress amend the Controlled Substances Act (Public Law 91-513) to increase the maximum penalties for trafficking in all Schedules I and II nonnarcotic drugs, including phenylephedrine, to equal the maximum penalties for trafficking in Schedules I and II narcotic drugs.

This recommendation was substantially addressed in three bills introduced in the 98th Congress: S. 829, S. 985, and H.R. 2151. (GGD-82-6, Nov. 6, 1981)

Taking the Profit Out of Crime

We recommended that the Congress amend the criminal forfeiture provisions of the Racketeer Influenced and Corrupt Organizations (RICO) and Continuing Criminal Enterprise (CCE) statutes to

- make explicit provisions for the forfeiture of profits and proceeds that are (1) acquired, derived, used, or maintained in violation of the RICO statute or (2) acquired or derived as a result of violation of that statute;
- clarify that assets forfeitable under the CCE statute include the gross proceeds of controlled substance transactions; and

Commerce and Housing Credit

• authorize forfeiture of substitute assets, to the extent that assets forfeitable under the statutes (1) cannot be located, (2) have been transferred, sold to, or deposited with third parties, or (3) have been placed beyond the general territorial jurisdiction of the United States.

As of September 30, 1983, six bills have been introduced in the 98th Congress which amend the two criminal forfeiture statutes: S. 829, S. 948, H.R. 2151, H.R. 2241, H.R. 3272, and H.R. 3299. S. 948 was reported out of the Senate Judiciary Committee on September 14, 1983 (S. Rept. No. 98-224). (GGD-81-51, Apr. 10, 1981)

Design Issues for Rental Rehabilitation Block Grants

In December 1982, we reported that the Congress should consider specific design issues in evaluating new housing block grant initiatives. On March 9, 1983, we provided a statement for the record on rental rehabilitation costs, beneficiaries, and accountability, which was used by the Subcommittee on Housing and Urban Affairs, Senate Committee on Banking, Housing and Urban Affairs, in its deliberation on the new rental housing block grant program. In July 1983, we recommended that the committee consider a number of program design features to help control costs, to facilitate income targeting, and to require program evaluation.

S. 1338, the Housing and Community Development Act of 1983, would establish a new rental rehabilitation and development grants program which incorporates some of our suggestions, such as targeting and recordkeeping requirements. On June 20, 1983, the committee chairman introduced Amendment No. 1423 to S. 1338, which included cost controls of \$5,000 per unit and a limit on rehabilitation performed to that which was necessary to correct substandard conditions. It also required that 100 percent of the grant assistance be used for the benefit of lower income households and that the program be periodically evaluated by the Department of Housing and Urban Development to determine program costs, services delivered, beneficiaries, and the extent to which lower income tenants had been displaced. On July 21, 1983, the Senate agreed to Amendment No. 1423 in the nature of a substitute for S. 1338. (RCED-83-21, Dec. 13, 1982; GAO statement, Mar. 9, 1983, Subcommittee on Housing and Urban Affairs, Senate Committee on Banking, Housing and Urban Affairs; RCED-83-148, July 11, 1983)

Alternatives to Mortgage Revenue Bond Financing

Mortgage revenue bonds are costly to the federal government when compared to the benefits provided to homebuyers and to the costs of alternative subsidy mechanisms. We testified on this issue before the Subcommittee on Taxation and Debt Management, Senate Committee on Finance; the House Committee on Ways and Means; and the Senate Committee on Finance. Our April 1983 report also addressed this issue and, as did our testimony, suggested alternatives which would be less expensive.

On July 12, 1983, the Chairman of the Senate Finance Committee introduced S. 1598, the First Time Homebuyer Assistance Act of 1983. This bill incorporates one of the alternatives to mortgage revenue bonds that we suggested: a homebuyer tax credit. Under the proposal, states would have the option to trade their revenue bond authority for homebuyer tax-credit authority. The bill was based, in large part, on our analysis of the tax-credit authority. (RCED-83-145, Apr. 18, 1983; GAO testimony, May 13, 1983, Subcommittee on Taxation and Debt Management, Senate Committee on Finance; GAO testimony, June 15, 1983, House Committee on Ways and Means; GAO testimony, Sept. 13, 1983, Senate Committee on Finance)

Developing a Fee Schedule

Since January 1977, the Federal Communications Commission has not charged fees for its services. One month earlier, the U.S. Court of Appeals overturned previous commission fee schedules and called for it to clarify the justification for the schedules and recalculate its fees accordingly. In our 1977 report, we stated that the commission could and should recalculate previous fee schedules, refund excess fees collected, and establish a new fee schedule. We noted that the Congress could provide additional legislative guidance in this area by either amending the Independent Offices Appropriation Act of 1952 or enacting new legislation.

Community and Regional Development

S. 55, which was passed by the Senate in February 1983, establishes a schedule of fees to be assessed by the commission. (CED-77-70, May 5, 1977; GAO testimony, May 1, 1981, Senate Committee on Commerce, Science and Transportation, Subcommittee on Communications, June 9, 1981)

Improving the Broadcast Licensing Process

To make the broadcast licensing process more effective, we recommended that the Congress amend the Communications Act of 1934. We suggested eliminating the requirement that the Federal Communications Commission provide an opportunity for a full evidentiary hearing to applicants competing for a broadcast license renewal. Such a process has not acted as a competitive spur to the incumbent licensee and is both time-consuming and expensive. In February 1983, the Senate passed S. 55, which sets forth new criteria for the renewal of broadcast station licenses and bars the commission from considering applications from other parties for a license for which renewal is being sought. (CED-79-62, June 4, 1979)

Uniform Reporting on Community Development Block Grants

In 1982, the Department of Housing and Urban Development (HUD) took steps to revise the regulations of the Community Development Block Grant Program (CDBG) entitlement and small cities, which appeared to shift emphasis away from targeting and reporting on benefits to low- and moderate-income persons. HUD stated that the primary objective of the authorizing legislation can be achieved by funding activities through a program that gives maximum feasible priority to any one of three broad national objectives: (1) benefiting low- and moderate-income persons, (2) aiding in the prevention or elimination of slums or blight, or (3) meeting other community development needs having particular urgency where other financial resources are not available to meet such needs. HUD expects states to demonstrate how funded activities address one, but not all, of these three national objectives.

On December 7, 1982, GAO testified before the Subcommittee on Housing and Community Development, House Committee on Banking, Finance and Urban Affairs, that for the Congress to judge how well the CDBG program was meeting its objective, timely, reliable, and uniform information on program accomplishments was needed. We noted that HUD's interpretation of the way the act's primary objective can be met would make it easier for grantees to shift their program's targeting away from lower income persons if they wished to do so. We maintained that, without actual data on the extent to which the states' overall program benefits low- and moderate-income persons, HUD would have difficulty in determining whether a shift in grantee targeting had occurred. We said that such information can be collected most efficiently by grantees who implement the program.

H.R. 1, which was passed by the House on July 13, 1983, addresses HUD's interpretation and reemphasizes that the act's primary objective is to carry out community development activities which principally benefit low- and moderate-income persons. The legis-

lation requires grantees to include in their performance report an evaluation of the relationship of activities funded to this primary objective and directs the Secretary of Housing and Urban Development to establish a standard form for such reporting. (RCED-83-15, Nov. 3, 1982)

Small Cities' Participation in the Urban Development Action Grant Program

The Housing and Community Development Act of 1977 authorized the Department of Housing and Urban Development (HUD) to assist severely distressed cities and urban counties in alleviating physical and economic deterioration. The legislation provided that no less than 25 percent of available Urban Development Action Grant (UDAG) funds would be for small cities under 50,000 population.

We found that the UDAG program has had limited success in assisting most of the 10,161 eligible small cities. Overall, slightly less than 8 percent of the eligible small cities have ever applied for a UDAG, while just over 4 percent have been awarded one. Among the reasons we found contributing to the low participation of the most distressed small cities were lack of knowledge about the UDAG program and insufficient capacity within the city government either to plan and carry through a UDAG application or hire an outside concern for that purpose.

On the basis of our analysis, the House Committee on Banking, Finance and Urban Affairs concluded in its report on H.R. 1 that little can be accomplished without affirmative action to inform small cities of UDAG fund availability and to assist them in developing fundable projects. (H. Rept. No. 98-123, May 13, 1983). On July 13, 1983, the House passed H.R. 1, which authorizes HUD to use not less than \$3 million to provide selected small cities with program information, an evaluation of their needs, and development plans to meet those needs through the UDAG program. (RCED-83-126, Mar. 15, 1983)

Revitalizing Distressed Areas Through Enterprise Zones

The proposed enterprise zone program is intended to stimulate business development and create jobs in distressed areas by providing tax relief and regulatory reform. In July 1982, we reported that many unknowns exist about the effectiveness of the proposed incentives and their costs. We recommended that, if enterprise zone legislation is enacted, the Congress should require the administering federal agency to establish program effectiveness criteria supported by a systematic data collection and evaluation effort to analyze the benefits and costs of the program.

In response to our recommendation, H.R. 1955 was introduced on March 8, 1983, and provides for the Secretary of Housing and Urban Development to prepare and submit to the Congress periodic reports on the effects of enterprise zones. The bill was referred to the Committee on Ways and Means, and selected provisions were referred to the Committee on Banking, Finance and Urban Affairs and to the Committee on the Judiciary. As of September 30, 1983, the bill had 183 cosponsors. (CED-82-78, July 15, 1983)

Clarification of Disaster Assistance and Cost Sharing

In 1980, federal emergency assistance was provided to assist states in handling such situations as the Love Canal chemical contamination and the Cuban refugee influx. These actions stirred considerable controversy regarding whether nonnatural "catastrophes" are within the purview of existing law. The current law is not clear on this matter, but it does allow the President to make declarations for "other catastrophes" as well as for specifically identified natural catastrophes.

GAO recommended that the Congress reevaluate the Disaster Relief Act of 1974 and clarify its intent regarding the types of incidents that may receive disaster assistance.

In May 1980, the Federal Emergency Management Agency (FEMA) started to require state and local governments to pay 25 percent of the public assistance portion of disaster relief provided by the federal government. This policy helps to assure compliance with the statutory intent that federal disaster aid be supplemental.

GAO's review of FEMA's cost-sharing policy found that it is consistent with the Disaster Relief Act of 1974. However, the policy created controversy among the states. State officials contend that the policy forces them to pay disaster relief costs which the states believe are beyond their capability to pay or which will consume more than a reasonable amount of state and local funds. To put the controversy to rest, GAO recommended that the Congress clarify the extent of the state and local contribution that should be committed before supplemental federal assistance is provided.

S. 1525 would amend the definition of "major disasters" to limit disasters in this category to "natural" disasters. At the same time, S. 1525 would amend the definition of "emergency" to make it clear that the President could declare an emergency for any type of catastrophe. It would also provide needed clarification by limiting federal contributions for public assistance projects to 75 percent of net eligible costs. This bill is being considered by the Senate Committee on Environment and Public Works. The committee reported favorably on a similar bill during 1982, S. 2250, which passed the Senate but was not acted upon by the House (Senate Report 97-459, May 28, 1982). (CED-82-4, Dec. 7, 1981)

Reducing Federal Disaster Expenses Through Flood Insurance

The Federal Emergency Management Agency's usual practice is to reimburse state and local applicants for reconstruction or repair of structures that were not insured. In some instances, however, a deliberate decision has been made by responsible officials not to insure, or to underinsure, such property.

Presently, state and local governments are not required to be insured against initial losses to property as a prerequisite to receiving disaster relief for losses. FEMA requires insurance only after disaster relief funds have been received, and then only in the amount of the relief provided.

We recommended that the Congress amend the Disaster Relief Act of 1974 to require that, as a condition for receiving federal public disaster assistance, state and local governments have in force appropriate hazard and flood insurance as is reasonably available, adequate, and necessary to protect against the loss of public buildings, facilities, and equipment.

The Disaster Relief Act Amendments of 1983, S. 1525, incorporate our recommendation by limiting disaster grant assistance for insurable public facilities. This bill is being considered by the Senate Committee on Environment and Public Works. The committee reported favorably on a similar bill during 1982, S. 2250, which passed the Senate but was not acted upon by the House (Senate Report 97-459, May 28, 1982). (CED-82-4, Dec. 7, 1981)

Education, Training, Employment, and Social Services

Refugee Assistance Amendments of 1982 Emphasize Employment and Economic Self-Sufficiency

On April 22, 1983, in testimony before the Subcommittee on Immigration, Refugees, and International Law, House Committee on the Judiciary, we recommended that (1) the Refugee Act of 1980 be amended to require that priority attention be given to quick employment and economic self-sufficiency, including placement in unskilled, entry-level jobs, if necessary, (2) this priority be adhered to notwithstanding provisions for attendance at language and other employment training, and (3) portions of the act exempting refugees from employment registration and acceptance of job offer requirements during the first 60 days after entry be repealed.

The Refugee Assistance Amendments of 1982 (Public Law 97-363, Oct. 25, 1982), which extended for fiscal year 1983 the authorization for refugee assistance, used our testimony as a basis for requiring strengthened program management, including a greater emphasis on employment and tracking refugees' progress toward self-sufficiency. (GAO testimony, Apr. 22, 1982, House Committee on the Judiciary, Subcommittee on Immigration, Refugees, and International Law)

Management Improvements Needed at ACTION Agency

In April 1983, we testified on ACTION's policies and management practices and identified numerous weaknesses related to (1) misinterpretation of funding requirements, (2) improper disapproval of VISTA projects, (3) inappropriate use of VISTA volunteers, and (4) questionable hiring practices and use of noncareer employees.

Our testimony was frequently quoted and used extensively by the House Committee on Education and Labor in preparing its report on H.R. 2655, a bill to extend and improve the Domestic Volunteer Service Act of 1973. (House Rept. 98-161, May 16, 1983). (GAO testimony, Apr. 19, 1983, House Committee on Education and Labor, Subcommittee on Select Education)

Filing Private Employee Benefit Plan Summaries with Department of Labor Is Costly and Not Needed

The Employee Retirement Income Security Act of 1974 requires private employee benefit plans to provide plan participants, beneficiaries, and the Department of Labor with summary plan descriptions and summaries of plan amendments. Labor is to keep the summaries on hand to provide plan participants with information, to help assure compliance with the act by opening plan information to public scrutiny, and to make plan information available for research.

Although Labor's cost to process summaries filed by plans is significant, many summaries have not been filed or cannot be found in Labor's files when requested. The cost to process summaries and assure that they are submitted to Labor and are accessible in Labor's files is not warranted by the limited requests for the summaries. We recommended in October 1981 that the Congress amend the act to (1) eliminate the requirement that plans file summaries with Labor and (2) require Labor to obtain summaries from the plans only when plan participants and others request them.

In response to our recommendations, H.R. 3071 was introduced in the House in May 1983 to eliminate requirements that benefit plan summaries be filed with Labor. This bill was referred to the House Committees on Education and Labor and Ways and Means jointly, but no action on it had been taken as of September 30, 1983. (HRD-82-12, Oct. 19, 1981)

The Davis-Bacon Act Should Be Repealed

On April 27, 1979, we reported that repealing the Davis-Bacon Act and removing its wage determination requirements would result in substantial financial savings on federal or federally assisted construction projects. We reported that the act and related Copeland Anti-Kickback Act payroll recordkeeping requirements result in unnecessary construction and administrative costs to the government of hundreds of millions of dollars annually.

Various House and Senate members have introduced numerous bills in the 98th Congress to either repeal, amend, waive, or delete the Davis-Bacon Act and related Copeland Anti-Kickback Act requirements and certain of the 77 related statutes which require use of the Davis-Bacon Act requirements on federally assisted construction projects.

In July 1983, the House considered H.R. 10 amending the Public Works and Economic Development and the Appalachian Regional Development Acts of 1965. An amendment was introduced providing that the Secretary of Commerce, upon application by the legislative branch of any state and local government eligible for assistance under H.R. 10, could waive the Davis-Bacon Act requirements if the recipient could demonstrate that the waiver would result in a substantial increase in the level of employment. According to the amendment's sponsor, Rep. Walker, waiving the Davis-Bacon requirement would result in a substantial increase in jobs. However, the House rejected the amendment.

Also, in both the Senate and House, bills were introduced to reform the Davis-Bacon Act and to incorporate all or most of the revised Davis-Bacon Act regulations proposed by Labor, including (1) revising the prevailing wage determination, (2) prohibiting the use of federal projects in determining projects of a similar character and prevailing wage rates, (3) prohibiting the use of wage rates in nearby metropolitan areas in determining wage rates in rural areas, (4) permitting the use of helper job classifications in its wage determinations, and (5) eliminating the weekly payroll reporting requirements by contractors.

On April 28, 1983, S. 1172—with 12 cosponsors—was introduced in the Senate to amend the Davis-Bacon Act to increase the contract dollar threshold level, above which the Davis-Bacon Act would be mandated from \$2,000 to \$100,000, mandate the Department of Labor to determine wage rates for helpers classification and increase the number of helpers contractors could

Energy

use on projects, and delete the 30-percent rule in a given wage classification and define the prevailing wage rate as the rate paid to 50 percent or more of the construction workers in a given class. A similar bill, H.R. 3846—with 90 cosponsors—was introduced in the House on August 4, 1983. Sponsors of both bills state that, if enacted, the bills would result in new job opportunities as well as significant cost savings.

The Congress has not acted on these bills as of September 30, 1983.

All of the proposed legislation on the Davis-Bacon Act in the 98th Congress and regulations proposed by the Department of Labor made extensive use of our reports. (HRD-79-18, Apr. 27, 1979; HRD-81-10, Oct. 2, 1980)

Obtaining Fair Market Value for Federal Coal Leases

To ensure needed improvements were made to the Department of the Interior's economic evaluation, leasing, and fair market value determination procedures, we recommended that the Secretary postpone scheduled regional coal sales until the department had an opportunity to overcome specific weaknesses. Though our recommendations were addressed to the Secretary of the Interior, four bills aimed at bringing about the needed improvements were introduced in the Congress during the months immediately following the issuance of our report. H.R. 3018 and H.R. 3767 have been referred to the House Committee on Interior and Insular Affairs. S. 1297 has been referred to the Senate Committee on Energy and Natural Resources. Senate Amendment 1335 was submitted for H.R. 3069 (the department's fiscal year 1983 supplemental appropriations) but not agreed to in the Senate. (RCED-83-119, May 11, 1983)

Improvements in Low-Income Weatherization Program

In October 1981, we reported on several improvements needed in the Department of Energy's (DOE's) low-income weatherization program. These improvements included the need for (1) requiring adequate inspections of weatherized homes to assure complete and adequate work, (2) a reliable estimate of energy savings for adequate program assessment, and (3) improvements in financial management and program monitoring at the federal, state, and local levels.

On May 12, 1983, the House Committee on Energy and Commerce reported favorably on H.R. 2615, which required, among other things, (1) state provision for postinstallation inspections of weatherized units to ensure proper installation, (2) a DOE program plan which includes a method for measuring energy savings achieved by individual weatherization measures and combinations of measures, and (3) the establishment by DOE of an effective system of monitoring state and local

expenditures of funds, including reporting requirements. (House Rept. 98-108, May 12, 1983). In justifying the need for this last requirement, the committee report cited our report. (EMD-82-2, Oct. 26, 1981)

More Information Needed To Facilitate Arctic Research

Expensive and controversial requirements to minimize environmental impact are being imposed by the federal government on arctic energy-related projects. We found that present research is insufficient to evaluate the effectiveness or necessity of these requirements. Arctic research is expensive and is conducted by several federal agencies. More site-specific data and research findings are needed to develop these requirements and could result in more timely and less costly energy development. In June 1983, the Senate Committee on Governmental Affairs reported favorably on S. 373, which provides for the three critical elements (coordination, prioritization, and a source of funding) that we recommended be included in arctic research legislation (Senate Rept. 98-159, June 21, 1983). The report cites our work and states that the legislation represents a timely response to the problems we identified. The Senate passed S. 373 on June 27, 1983. The legislation has been referred to the House Science and Technology Committee for consideration. (EMD-82-44, June 17, 1982)

General Government

Spending Authority Recordings in Certain Revolving Funds Impair Congressional Budget Control

In July 1980, we reported to the Congress that, to improve congressional budgetary control over revolving funds, the Congress should place specific limits on the gross obligations, or gross loan obligations to be made, and require that such limits be treated as budget authority.

Three bills have been introduced in the Congress dealing with the budgetary control of federal credit programs (H.R. 2025, H.R. 2076, and S. 854). These bills would amend the Congressional Budget and Impoundment Control Act of 1974 to establish procedures for setting targets and ceilings for loans and loan guarantees under federal credit programs. The bills would provide a statutory basis for a federal credit control system that has been practiced by the Congress for several years. They require that credit activities will be subject to the same procedures that are used to set targets and ceilings on revenues, budget authority, and outlays. Maximum amounts are placed on total gross obligations for the principal amounts of direct loans and the total gross commitments made for loan guarantees during each fiscal year. There is also a requirement that annual limits for gross direct loans and loan guarantees must be set in appropriate acts. (PAD-80-29, July 2, 1980)

Disposal of Property from Failed Banks

For many years, the Comptroller of the Currency has held unclaimed property remaining from terminated receiverships of national banks that failed before the 1934 creation of the Federal Deposit Insurance Corporation. We recommended that the Congress give the Comptroller authority to dispose of this property after the Comptroller made one final effort to locate the owners. The Congress did so in sec. 731 *et seq.* of the Garn-St. Germain Depository Institutions Act of 1982 (Public Law 97-320, Oct. 15, 1982). (GGD-81-94, Sept. 25, 1981)

Improving the Management of the Multiple Award Schedule Program

Under this program, the General Services Administration (GSA) solicits proposals for indefinite quantity contracts for various categories of products on federal supply schedules. Vendors submit proposals to supply products with discounts from their catalogs or commercial price lists that are equal to or greater than those afforded their most favored customers. After GSA negotiates and awards the contracts, agencies select required supplies from the schedules and order directly from vendors. We recommended that (1) GSA should develop criteria for determining which items should be procured competitively and which should be purchased through multiple awards and (2) for those relatively few items which should remain on multiple award schedules, GSA should improve the contracting process.

H.R. 898, requiring the Administrator of General Services to implement our recommendations, was introduced in January 1983. This bill has been referred to the House Government Operations Committee. As of September 30, 1983, the bill had 172 cosponsors. (PSAD-79-71, May 2, 1979)

Helping Disadvantaged Small Businesses

The Congress, through Public Law 95-507, provided several new ways for helping disadvantaged small businesses sell their goods and services to the federal government. One initiative was to waive surety bonding requirements for certain disadvantaged small business contractors. Another initiative was to have a designated federal agency increase its procurement from disadvantaged small firms. The Congress mandated us to report on the usefulness of both initiatives prior to their scheduled expiration on September 30, 1981.

Because these initiatives were never fully implemented, we recommended that the Congress extend the statutory authority to allow for further testing. Although the Congress allowed the statutory authority to expire, both initiatives were included in Public Law 98-47, amending the Small Business Act, dated July 13, 1983, for additional testing consistent with our recommendations. (CED-81-22, Jan. 23, 1981; CED-81-151, Sept. 18, 1981)

Changing General Revenue Sharing Formula To Improve Targeting Would Eliminate Payment Inequities

In June 1980, we recommended that constraints which limit payments to some needy local governments be changed to improve the targeting of revenue-sharing funds. In April 1982, we recommended eliminating the tiering procedure, thereby making general revenue-sharing allocations within states directly to all units of local government based on the three factors of population, relative income, and tax effort. S. 1426 incorporated our recommendations. The bill was reported favorably by the Senate Finance Committee in July 1983 (Senate Rept. 98-189, July 20, 1983). S. 1426 passed the Senate in September 1983. (GGD-82-46, Apr. 15, 1982)

Making U.S. Government Printing Office Pay and Classification Consistent with Other Federal Pay Systems

Government Printing Office (GPO) employees who collectively bargain for wages receive higher wages and shift differentials than their counterparts working at other federal agencies and private-sector firms in the Washington, D.C., area. Also, GPO's long-standing practice of paying the same wage rates to employees performing different levels of work does not follow the generally accepted federal pay principle of maintaining pay distinctions to recognize substantial differences in duties, responsibilities, and skill requirements.

Health

We suggested to the Congress that a joint labor/management task force should be established to consider new pay practices for GPO. We offered two options for the task force to consider: adopting different collective bargaining methods used by other federal agencies and bringing GPO under other existing federal pay systems.

In response to our report, H.R. 3302 and S. 1462 were introduced to place GPO employees under the Federal Wage and the General Schedule pay systems. (FPCD-83-32, June 3, 1983)

The Department of Housing and Urban Development's Proposed Field Reorganization

In February and May 1983, we reported that significant questions remained unanswered as to the effectiveness of the proposed field reorganization and its actual savings to the government. We recommended that HUD reevaluate its proposed field reorganization in light of the budgetary constraints and the information presented.

In response to our recommendations, on May 25, 1983, an amendment was added to H.R. 3069, the fiscal year 1983 supplemental appropriations bill, which precluded HUD from implementing the proposed field reorganization. (RCED-83-100, Feb. 25, 1983; RCED-83-155, May 19, 1983; and testimony before the House Subcommittee on Housing and Community Development, Committee on Banking, Finance and Urban Affairs, May 26, 1983)

Federal Audit Function in the Territories Should Be Strengthened

We recommended legislation be enacted to strengthen federal auditing in the U.S. territories by transferring the audit authority and staff of the U.S. Comptroller to the Office of Inspector General, Department of Interior. Additionally, the proposal would require officials of the territories and Micronesian governments to submit comprehensive annual financial reports to

the federal government. The purpose of this legislation was to (1) establish an independent organization that will have audit oversight of the U.S. territories and Micronesian governments and (2) assure proper control and accountability over federal and local funds by establishing and maintaining strong financial controls.

The recommendations were accepted and incorporated into Public Law 97-357 (Oct. 19, 1982). (AFMD-82-23, Mar. 25, 1982)

Elimination of Duplicative Audits of DAV

We recommended that the Disabled American Veterans' (DAV) authorizing legislation (36 U.S.C. 901(b)) be amended to eliminate the requirement for an annual audit of DAV's financial statements since section 1102 of 36 U.S.C. requires an annual audit by an independent public accountant. This recommendation was made as these duplicative audits provide little additional benefit to DAV and other users of the financial statements. During May 1983, two bills consistent with this recommendation were introduced. S. 1188 was referred to the Senate Committee on Governmental Affairs. H.R. 3115 was referred to the House Committee on Government Operations. On June 13, 1983, we responded to the Senate Governmental Affairs Committee's request for bill comments by recommending that the legislation be enacted. (AFMD-82-8, Oct. 15, 1981)

CHAMPUS Second Payor for All Beneficiary Claims

In February 1981, we reported that the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) was almost always a secondary payor when a beneficiary had entitlement to other insurance. Therefore, it is important that CHAMPUS be informed of other insurance. However, public laws required only retirees and dependents of retirees and deceased service members to report other insurance coverage, and there were no specific provisions prohibiting payments for dependents of active duty service members who had other insurance. Although CHAMPUS did require by regulation that its fiscal intermediaries follow up when active duty dependents reported other insurance, we found that the fiscal intermediaries were not diligent in their efforts.

We reported that CHAMPUS was incurring substantial additional costs because active duty dependents were not required to report other insurance. We recommended that the Congress enact legislation requiring that no benefits be payable for dependents of active duty members when the benefit claimed was payable under another insurance plan in which the beneficiary was covered. Section 779 of Public Law 97-377, enacted December 21, 1982, contains such language.

The Department of Defense has estimated that this provision will save CHAMPUS \$381.8 million through fiscal year 1989. More savings will be realized each year after 1989, but the amount is unmeasurable at this time. (HRD-81-38, Feb. 2, 1981)

Income Security

Collection of State Wage Data for Use in Selected Entitlement Programs

The Congress should amend the Federal Unemployment Tax Act to require that all states collect individual wage information on a quarterly basis for use in their unemployment insurance programs and in federally funded needs-based programs. In January 1983, Congressman Stark introduced H.R. 926, a bill to amend the Social Security Act to require state unemployment agencies to collect individual wage information on a quarterly basis, and for other purposes. This bill provided for disclosure of the wage information to the AFDC and Child Support programs but not to all federally funded needs-based programs as we recommended. (HRD-82-9, Jan. 14, 1982)

Need for Death Information in Entitlement Programs

On April 20, 1983, the President signed H.R. 1900, the Social Security Amendments of 1983, into law (Public Law 98-21). Section 336 of the amendments requires that the Secretary of Health and Human Services establish a program under which states voluntarily contract with the Secretary to periodically furnish death certificate information. The information is to be used to correct federally funded program records to accurately reflect the status of program recipients. We commented on section 336 of H.R. 1900 at the request of Congressman William D. Gradison, Jr., and we recommended a number of changes to strengthen the provision, which were enacted. Also, in a report to the Secretary of HHS, we recommended developing and implementing a comprehensive national effort to obtain and use state and local data to be used for verification purposes. (HRD-80-4, Oct. 16, 1979)

Need To Simplify Calculation of Food Stamp Eligibility

Time-consuming and complex food stamp eligibility criteria contribute to many unnecessary program errors. This complexity has the greatest adverse effect in two areas: calculating applicant households' net income and

determining the number of people in the household. We reported in 1983 that, for eight states, over half the agency-caused dollar errors were attributable to mistakes in these two areas. In 1982 and 1983, we testified that the Congress could reduce the administrative complexity of eligibility determinations by

- consolidating and standardizing deductions, such as those for excess shelter, and
- redefining and simplifying the definition of a food stamp household to include all persons living under the same roof.

Legislative proposals incorporating these suggestions were contained in S. 1208 and H.R. 3089 introduced during May 1983. (RCED-83-40, Feb. 4, 1983; GAO testimony, Mar. 24, 1982, and Apr. 20, 1983, Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, House Committee on Agriculture, and Mar. 29, 1982, Senate Committee on Agriculture, Nutrition, and Forestry)

Techniques for Collecting Overissued Food Stamp Benefits Should Be Improved

In fiscal years 1980 and 1981, states collected only \$20 million, or 1 cent, of every overissued food stamp dollar. The Omnibus Budget Reconciliation Act of 1981 provided states with financial incentives and improved methods to increase collections. However, trying to recover overpayments from those no longer participating in the Food Stamp Program is still a particularly difficult task. We recommended that the Congress require states to promptly take all necessary steps to recover overissuances from households no longer in the program. We also discussed several collections. These include intercepting federal and state income tax refunds and using credit bureaus, collection agencies, and small claims courts.

S. 1727, introduced in August 1983, would authorize two measures for recovering such overissuances. The bill requires the U.S. Department of the Treasury to retain federal income tax refunds and would also allow states to

benefits. (RCED-83-40, Feb. 4, 1983; GAO testimony, Apr. 20, 1983, Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, House Committee on Agriculture)

Amendments to the Longshoremen's and Harbor Workers' Compensation Act Needed

We reported that (1) the unclear jurisdiction of the Longshoremen's and Harbor Workers' Compensation Act has resulted in much litigation and has made insurers reluctant to provide workers' compensation coverage and (2) some employers and insurance carriers had limited their liability for certain compensation payments by obtaining relief from a special fund that assumed liability for these payments. In the latter case, the Department of Labor stated that it lacked the resources to challenge claims against the fund. We recommended that the Congress consider (1) defining the act's jurisdiction as explicitly as possible, (2) permitting the contributors to the special fund to challenge questionable claims, and (3) more clearly defining the circumstances under which the fund should assume liability for employees' compensation payments.

The Senate passed S. 38 on June 16, 1983, and is awaiting consideration by the House Committee on Education and Labor. This bill contains provisions that would more clearly define who is covered by the act (jurisdiction) and would establish a Special Fund Conservation Committee to protect the financial integrity of the special fund by ensuring that all distributions from the fund are made in accordance with the act. (HRD-82-25, Apr. 1, 1982)

Financial Solvency of the Railroad Retirement Program

The Railroad Retirement Program is experiencing serious financial problems. Trust fund revenues are not adequate to pay retirement, unemployment, and sickness benefits.

In May 1983, we testified on two legislative proposals to remedy the Railroad Retirement Program's problems and recommended changes based

National Defense

on recent reports and audit work to improve the financial situation and accountability.

The Railroad Retirement Solvency Act of 1983 (Public Law 98-76, Aug. 12, 1983) incorporates five of our recommendations. It

- establishes financially independent trust funds,
- changes the tax earnings base from monthly to annual,
- accelerates retirement tax deposit schedules,
- eliminates postsecondary student benefits, and
- makes sick pay received under the unemployment and sickness insurance program subject to income taxes. (GAO testimony, May 3, 1983, House Committee on Ways and Means, Subcommittees on Public Assistance and Unemployment Compensation; HRD-81-27, Mar. 9, 1981; HRD-81-112, Sept. 24, 1981; and HRD-79-108, Aug. 30, 1979)

Reductions in the Ammunition Procurement and Mobilization Program

The Chairman, Subcommittee on Defense, Committee on Appropriations, asked GAO to assist the committee by reviewing the armed services' budgeted requests for ammunition and the related production base for fiscal year 1983.

In August 1982, we recommended budget adjustments on numerous lines, on the basis of delivery schedule slippages, excess inventory, production efficiencies, and updated cost estimates. The report of the House Committee on Appropriations (House Rept. 97-943, Nov. 30, 1982) stated that the GAO recommendations are thoroughly supported with facts and figures. The committee recommended reductions of \$550,290,000 on the basis of our findings and recommendations. The Committee of Conference of the House and Senate (House Rept. 97-980, Dec. 20, 1982) reduced the services' budget requests by \$540,700,000. (PLRD-82-92, Aug. 10, 1982)

Improving Defense Procurement

The former Director of the Naval Nuclear Propulsion Program testified before the Joint Economic Committee in January 1982 that the lack of a time limit on the submission of claims against the government allows contractors to wait several years to determine contract profitability and then to claim enough to cover overruns. He added that shipbuilders have an incentive to delay submitting a claim because a delay enables them to "wait out" personnel turnover, obfuscate issues, and frustrate government analysis. To remedy the situation, he recommended that the Congress establish a 1-year statute of limitations on the submission of claims and that those not fully documented and submitted within this time not be paid. Certain experts believe a 1-year limitation would unduly burden contractors and encourage them to file claims just to protect themselves from all eventualities. DOD agreed that a time limit was necessary but could not say how long it could be.

In response to a congressional request, GAO recommended that the Congress explore an appropriate time limit and determine whether 1 year equitably balances the risks on both sides. We also recommended that after obtaining additional views, the Congress should propose legislation prohibiting payment of claims not submitted within the time limit. In response, H.R. 2849 was introduced on May 2, 1983, requiring that claims made by government contractors must be submitted within 3 years. This bill has been referred to the Judiciary Committee. (PLRD-83-37, Jan. 27, 1983)

U.S. Antisatellite Program Needs a Fresh Look

The United States is pursuing an anti-satellite development program using miniature vehicles launched from an F-15 aircraft and propelled by a two-staged missile. The cost to complete the system has been estimated at about \$3.6 billion.

When the Air Force selected the miniature vehicle technology as the primary solution to the antisatellite mission, it was envisioned as a relatively cheap, quick way to get an antisatellite system that would meet the mission requirements. This is no longer the case. It will be a more complex and expensive task than originally envisioned, potentially costing in the tens of billions of dollars.

We recommended that the Congress review DOD's plans for performing the antisatellite mission, so that a timely evaluation of DOD's plans could be made before the air-launched miniature vehicle entered production.

In response to our recommendation, an amendment was offered to H.R. 2969 (DOD Authorization Bill) to delete the entire \$19.4 million for procurement of the antisatellite missile for fiscal year 1984. (C-MASAD-83-5, Jan. 27, 1983)

Alternatives to the Navy's Fiscal Year 1983 Shipbuilding and Conversion Budget Requests

In November 1982, we suggested that the Navy's budget request for the ship programs was excessive because

- favorable contract negotiations in the fleet oiler program reduced the amount of funds required for this program;
- existing salvage ship assets in the fleet plus greater dependence on commercial salvage assets reduced the need to construct additional salvage ships;
- requests for advance procurement funding for oilers and salvage ships did not meet the criteria for such funding, and the requests were not sufficiently justified; and
- the delivery schedule for the ship program which is supported by the landing craft had been adjusted and delayed. Consequently, not all of the funds for these craft were needed during fiscal year 1983.

The House Appropriations Committee's report on the Department of Defense fiscal year 1983 appropriations bill reduced the Navy's budget request for the three ship programs by \$224.4 million (House Rept. 97-943, Nov. 30, 1982). In the associated conference report (House Rept. 97-980, Dec. 20, 1982), the conferees agreed to a reduction of \$191.6 million for the above ship programs. (GAO letter to Chairman, Subcommittee on Defense, House Committee on Appropriations, Nov. 10, 1982)

Better Care of Seized Conveyance Is Needed

Law enforcement agencies seize cars, boats, and planes used to transport illegal aliens, narcotics, and various other forms of contraband. These seized conveyances often devalue rapidly after seizure, primarily because of the lengthy forfeiture processes and inadequate storage, maintenance, and protection. When the forfeited conveyances are acquired for use by law enforcement agencies, the conveyances often have high startup and continual

repair costs. We recommended that the Congress enact legislation to

- expedite the forfeiture process,
- create an improved funding mechanism for preservation costs and for the acquisition of needed conveyances, and
- gain more oversight over the use by federal agencies of forfeited conveyances.

In response to our recommendations, H.R. 3725 was introduced on August 1, 1983, and has been referred to the House Committees on the Judiciary, Ways and Means, and Energy and Commerce. (PLRD-83-94, July 15, 1983)

Improving the Effectiveness of the Aviation Bonus Program

To help solve shortages in aviation specialties and retain quality officers, the Congress in 1980 approved the aviation officer continuation bonus. However, we found that the Navy and Marine Corps did not follow the Congress' guidelines to judiciously manage and award these bonuses. Both services continued to pay bonuses to officers who were not in specialties where there were critical shortages or who were past the point in their careers where retention was a problem.

We estimated as much as \$80 million of the \$103 million spent by the services for these bonuses in fiscal year 1981 may have been unnecessary. We recommended to the Congress that the bonus program be extended, but under tighter restrictions. The Defense authorization bill for fiscal 1984 (S. 675) contained a provision that reinstated, for 1 year, the authority to pay the aviation officer career bonus. The bill also placed restrictions on the amount of and eligibility for the bonuses. Furthermore, the bill expressed the sense of Congress that bonuses should only be paid to those officers that are likely to be induced by a bonus to remain on active duty. The bill also required a report from the Secretary of the Navy regarding the effectiveness of the bonus program. (FPCD-82-56, Aug. 9, 1982)

Inadequate Surcharge Estimates in the Foreign Military Sales Program

In a February 1982 report, we disclosed that Defense used inadequate methods to estimate amounts included in the administrative surcharge for personnel working on the foreign military sales program and, consequently, Defense failed to recover the full cost of administering this program. Acting on our report and subsequent testimony, the Congress reduced Defense's fiscal year 1983 appropriations by \$85 million. This reduction was incorporated into Public Law 97-377 which was signed by the President on December 21, 1982. (AFMD-82-10, Feb. 2, 1982)

Removing a Disincentive to Retention

The military retirement system contains a 1-year "look back" provision which allows new retirees to calculate their annuity based on earlier pay scales, if it is to their advantage. In an August 1982 report, we concluded that the provision had outlived its usefulness and was no longer justified. At times, it can discourage individuals from serving longer than 20 years. Therefore, we recommended that the Congress repeal the 1-year "look back" provision authorized in 10 U.S.C. 1401a(e). The Defense authorization bill for fiscal year 1984 (S. 675) which was enacted into law in September 1983 remedied this problem by repealing the 1-year "look back" provision (Public Law 98-94, Sept. 24, 1983). (FPCD-82-38, Aug. 20, 1982)

Sizing Military Medical Facilities

The three military services were required to limit the size of new hospitals and clinics to that needed for active duty members and their dependents. Additional capacity, normally not exceeding 5 or 10 percent, could have been added to meet training and teaching requirements. This additional capacity was the only space provided to meet the needs of retirees and their dependents in new or replacement

Natural Resources and Environment

facilities. Eligible beneficiaries not accommodated in military facilities can receive care from civilian providers on a reimbursable basis, through CHAMPUS.

Studies showed that the limitation on the space allowed for retirees and their dependents may not have resulted in the most cost-effective size options available. In fact, strong evidence exists that treatment for retirees and their dependents within military facilities may, in some cases, be more cost effective. We recommended legislation that could allow the Department of Defense flexibility in planning space requirements in new or replacement facilities. Specifically, we recommended that the sizing of military medical facilities be based on cost effectiveness, projected staff availability, realistic workload projections, and teaching and training requirements.

Public Law 97-337, enacted October 15, 1982, amended title 10, United States Code, to provide Defense with the flexibility we recommended. (HRD-81-24, Dec. 17, 1980)

Military Spending on Commissary Services

In an August 1982 report, we disclosed that, with the exception of the Navy, the military services are still spending millions of dollars of appropriated funds each year for commissary operating expenses which, by law, should have been borne by commissary revenues. Acting on our report, the Congress reduced Defense's fiscal year 1983 operation and maintenance appropriation by \$25 million. This reduction was incorporated into Public Law 97-377, which was signed by the President on December 21, 1982. (AFMD-82-45, Aug. 11, 1982)

Reforming Interest Provisions in Federal Water Laws

Federal water laws generally require that, when water projects are completed and water is delivered, water users who receive irrigation water must repay their share of construction costs. However, prior to October 1982, reclamation law did not require repayment of interest on irrigation costs. Because construction costs and interest rates have risen and repayment periods are longer, we suggested that the Congress take a fresh look at the interest-free subsidy in deciding future project authorizations. Also, as debates on the Reclamation Reform Act of 1982 proceeded, we briefed numerous congressional committees and helped draft an interest rate calculation provision for use in repayment charges for irrigation water deliveries.

The Reclamation Reform Act of 1982 (Public Law 97-293, Oct. 12, 1982) requires the delivery of irrigation water to landholdings in excess of certain acreage limitations to be priced at full cost, including interest on construction costs. The act also specifies how interest rates are to be calculated which included some of our suggestions. (CED-82-3, Oct. 22, 1981)

Strengthening the Federal Indoor Air Pollution Control Program

Research shows that some pollutants exist in indoor air in concentrations greater than allowed in outdoor air. The problem of indoor air pollution may be further increased by efforts to "button up" buildings for energy conservation.

We found that federal efforts to identify and deal with the problem were largely uncoordinated. We recommended that the Congress amend the Clean Air Act to provide the EPA the authority to address the problem.

The House Committee on Science and Technology favorably reported on H.R. 2899 on May 19, 1983 (House Report 98-212). The bill was placed on the House calendar following consideration by the House Appropriations Committee. H.R. 2899 requires that EPA conduct research on indoor air pollu-

tion and coordinate federal, state, and local research on the subject. The bill authorizes funds in fiscal year 1984 and 1985 for this endeavor. (CED-80-111, Sept. 24, 1980)

Disposing of Small, Scattered, or Isolated Tracts of Forest Service Land

The National Forest System contains approximately 200,000 tracts of land that are impractical for the Forest Service to efficiently administer because they are too small or isolated to justify the time and expense required for land management activities. In addition, a major portion of the estimated 50,000 title claim cases existing on National Forest System lands involve small parcels, frequently less than one acre, occupied in trespass by adjoining landowners as a result of survey, title, or land description errors. We recommended that the Congress enact legislation which would authorize the Forest Service to sell or, in some instances, give away small, scattered land holdings which are too costly or impractical to administer properly.

In January 1983, the Congress enacted the Small Tracts Act (Public Law 97-465, Jan. 12, 1983). This law authorizes the Secretary of Agriculture to sell, exchange, or otherwise convey certain National Forest System lands. (CED-80-82, July 16, 1980)

Land Acquisition and Management Policies and Practices for the Fire Island National Seashore Need To Be Improved

In a May 1981 report, we recommended that the Secretary of the Interior require the Director, National Park Service, to sell to the highest bidder all acquired lands in exempt communities that are compatible with the purpose of Fire Island. We said that the Park Service could attach scenic or developmental restrictions to the deeds before selling the properties to assure that their use would be consistent with the enabling legislation. We also recommended that the Secretary instruct the Director to revise the Fire Island zoning standards to make it

clear that homes rebuilt or improved in accordance with approved variances to local zoning ordinances would not be subject to condemnation unless the variances adversely affect Fire Island's natural resources.

Two bills introduced on July 28, 1983, amending the Fire Island National Seashore Act, incorporate our recommendations. S. 1705 was referred to the Senate Committee on Energy and Natural Resources. H.R. 3697 was referred to the House Committee on Interior and Insular Affairs. (CED-81-78, May 8, 1981)

Establishing a Great Lakes Research Office

There are many uncertainties regarding the source, extent, and effect of various pollutants in the Great Lakes. Efforts to address these issues have either not been undertaken or not coordinated among the various participants. We recommended that the Congress pass legislation which would establish a Great Lakes research office within the National Oceanic and Atmospheric Administration. On April 27, 1983, H.R. 2800 was introduced, which would establish such an office. (CED-82-63, May 21, 1982)

Increased Efficiency and Reduced Costs in the Ocean Liner Shipping Industry

We issued a report to the Chairman, House Committee on Merchant Marine and Fisheries, in which we reported that changes in federal maritime regulations can increase efficiency and reduce costs in the ocean liner shipping industry. This well-publicized, influential report was the basis for a letter dated June 1, 1983, to the Chairman, House Committee on the Judiciary, responding to nine questions from the committee. The information contained in our report and follow-up letter was used for a revised markup of H.R. 1878, the Shipping Act of 1983. The Comptroller General's letter is reprinted in full in the July 1 House Report 98-53, part II. (PAD-82-11, July 2, 1982)

DOT's Establishment of Minimum Criteria for Transportation Services for the Elderly and Handicapped

We surveyed 84 transit systems to study their special efforts to accommodate the transportation needs of the elderly and handicapped. Our findings included information on the number of systems which had decided to provide alternative accessible service, those which were continuing to make their regular service accessible, and details on the characteristics of the services available. We also noted that (1) UMTA was following a local option approach which gave responsibility to the local communities for deciding how to meet the transportation needs of elderly and handicapped persons and (2) UMTA was not monitoring how adequately grantees were complying with the requirement.

Information from our report was cited as support for an amendment to provide for fair and equitable treatment of handicapped and elderly persons in mass transit. As a result, the Surface Transportation Assistance Act of 1983 (Public Law 97-424, Jan. 6, 1983) requires DOT to establish (1) national minimum criteria for the provision of transportation services to handicapped and elderly persons and (2) procedures for monitoring transit system activities to ensure compliance with the newly established criteria. (CED-82-66, Apr. 15, 1982)

Transfer of the Alaska Railroad to the State of Alaska

In a February 1982 report to the Congress, we recommended that the Congress should enact legislation ending the federal government's ownership of the Alaska Railroad. We also stated that the Congress would have to decide whether to give the railroad away or sell it, how to establish the price if the railroad were sold, whether private or state ownership should be emphasized, and how such emphasis is to be effected.

On January 14, 1983, the President signed Public Law 97-468 authorizing the transfer of the railroad to Alaska if the state meets certain conditions. The law also provides for the state to compensate the federal government for the value, if any, of the rail properties transferred. The United States Railway Association will determine the railroad's value, and its report is scheduled to be completed and sent to the Congress no later than October 1983. (RCED-82-9, Feb. 25, 1982)

Open Legislative Recommendations Made During the Fiscal Year Ended September 30, 1983

Administration of Justice

The Congress should amend the Federal Magistrates Act to

- remove the restriction on the term of probation that a magistrate may impose under the Federal Youth Corrections Act—6 months for a petty offense and 1 year for a misdemeanor—to allow a magistrate to impose the same maximum period of probation that a judge can impose: 5 years, and
- eliminate the requirements that, for youthful offenders sentenced to incarceration under the Magistrates Act, (1) the Parole Commission make parole release determinations and (2) the Federal Probation System supervise them.

Also, we recommended that the Congress amend the Federal Youth Corrections Act to (1) limit the period of incarceration to which a judge can sentence a youthful offender for a petty offense or misdemeanor to 6 months and 1 year, respectively, and (2) authorize judges and magistrates to impose split sentences on youthful offenders. (GGD-83-40, Mar. 9, 1983)

Committee jurisdiction:

Senate: *Judiciary*

House: *Judiciary*

The Criminal Justice Act authorizes judges and magistrates to order reimbursement when the court determines a defendant, who has received court-appointed counsel, has funds available to reimburse the court for expenses incurred. We reported that some courts followed inconsistent collection practices and, as a result, court-ordered reimbursements were not being collected.

A successful collection method used by one federal district court was to order convicted defendants, who were financially able, to reimburse for expenses as a condition for probation. Other courts did not use this method because it was not specifically cited in the Federal Probation Act and, therefore, could be illegal. Due to such differing interpretations of the law, we recommended that the Federal Probation Act be amended to specifically allow reimbursements, where appropriate, to be made as a condition of probation. (GGD-83-18, Feb. 8, 1983)

Committee jurisdiction:

Senate: *Judiciary*

House: *Judiciary*

Community and Regional Development

If the Congress retains the National Flood Insurance Fund, we recommend that the Congress amend the National Flood Insurance Act of 1966 to

- limit borrowings to extraordinary losses,
- require regular appropriations to pay the federal subsidy and repay the prior year's borrowings,
- require the Federal Emergency Management Agency to notify the Congress when it borrows,
- require periodic congressional review of the fund's borrowing authority,
- consider whether the Federal Emergency Management Agency should raise federal flood insurance premiums to make the program self-sustaining and actuarially sound by fiscal year 1988, and
- provide the agency with guidance on how to eliminate the program's subsidy feature.

If the Congress finances the program through a direct appropriation, we recommend that the Congress amend the act to eliminate the National Flood Insurance Fund and, instead, to establish an emergency fund to pay unanticipated losses, to require periodic appropriations to repay expenditures from this fund, and to require a business-type budget which determines the surplus or deficiency associated with the risk premiums and chargeable rates. (RCED-83-53, Jan. 3, 1983)

Committee jurisdiction:

Senate: *Banking, Housing, and*

Urban Affairs

House: *Banking, Finance and*

Urban Affairs

Education, Training, Employment, and Social Services

Energy

If the Congress designates the use of appropriated funds for a specific major, unusual, or long-term disaster, we recommend that the appropriations language clearly spell out the intended use of the funds, the length of time the funds are to be committed for their intended use, and the disposition of any unused funds. If the Congress does not consider fund restrictions appropriate but believes that some control is needed, we recommend that it designate a lead agency, such as the Federal Emergency Management Agency, to coordinate the use and, if necessary, the sharing of specific major disaster funds among the federal agencies. (RCED-83-16, Nov. 15, 1982)

Committee jurisdiction:

Senate: *Banking, Housing, and
Urban Affairs*
House: *Banking, Finance and
Urban Affairs*

Congressional expectations, when the migrant education program was established in 1966, were that the program would serve children whose education was interrupted as a result of migration. Under present program regulations, a large number of children are being served as currently migrant children who have not had their education interrupted due to migration. The Congress should consider the data in our report as it deliberates pending legislation which would prohibit the Department of Education from changing the regulations to provide for classifying as currently migrant those who have had their education interrupted as a result of migration. (HRD-83-40, May 2, 1983)

Committee jurisdiction:

Senate: *Labor and Human Resources*
House: *Education and Labor*

On January 31, 1983, we reported that the Congress should consider repealing the Service Contract Act of 1965 because (1) inherent problems exist in the act's administration by the Department of Labor, (2) wage rates and fringe benefits set under the act by Labor are generally inflationary to the government, (3) Labor cannot make accurate determinations of prevailing wage rates and fringe benefits by using existing data sources, (4) data needed by Labor to accurately determine prevailing wage rates and fringe benefits would be very costly to develop, and (5) the Fair Labor Standards Act and administrative procedures implemented through the federal procurement process could provide a measure of wage and benefit protection for employees the act now covers.

We recommended that the Congress (1) consider repealing the Service Contract Act of 1965 and (2) amending section 6(e) of the Fair Labor Standards Act to ensure continued federal minimum wage coverage for all employees and employers providing contract services to the United States or the District of Columbia. (HRD-83-4, Jan. 31, 1983)

Committee jurisdiction:

Senate: *Labor and Human Resources*
House: *Education and Labor*

The Congress should extend the mandate to experiment with alternative bidding systems in leasing offshore lands. The Outer Continental Shelf Lands Act Amendment of 1978 required the Department of the Interior to experiment with alternatives to the traditional bidding system in leasing offshore lands for oil and gas development. This experiment, extending over a 5-year period, ended in September 1983. The alternative systems are designed to reduce the amount of up-front money required by companies to obtain an offshore lease, in return for a greater share of the revenues from any follow-on production. We found that the initial effects of the alternative systems on company participation and competition have generally paralleled or bettered the results of the traditional system, although up-front money required to obtain leases may not always be reduced. Accordingly, the Congress should amend the legislation to require the use of the alternative systems for an additional 5 years so that more information will be available to judge the overall merits. (RCED-83-139, May 27, 1983)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
House: *Interior and Insular Affairs
Merchant Marine and Fisheries*

The Congress should repeal legislation requiring the Department of the Interior to issue an annual report on offshore shut-in and flaring wells. The Outer Continental Shelf Lands Act Amendments of 1978 require (1) the Secretary of the Interior to submit a report annually to the Congress on offshore oil and gas wells shut-in (not producing) or flaring (burning off) natural gas and (2) the Comptroller General to examine and annually report on the methodology used by the Secretary in allowing this activity. We found that Interior's report does not satisfy the congressional intent behind the requirement and that Interior's report is not now necessary, in view of recent measures decontrolling oil and

General Government

gas prices. The Congress should repeal the reporting requirements to release resources of both the Department of the Interior and GAO to serve higher priority needs. (RCED-83-10, Oct. 5, 1982)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
House: *Interior and Insular Affairs*
Merchant Marine and Fisheries

The Congress should amend the Mineral Lands Leasing Act of 1920 to authorize the Department of the Interior to negotiate the sale of federal coal leases in appropriate cases.

To facilitate future evaluations of the negotiation process, we recommend that the Congress amend the Mineral Lands Leasing Act of 1920 to require that detailed records be kept of the negotiations, including evidence presented by government and industry representatives, and of its disposition. (RCED-83-119, May 11, 1983)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
House: *Interior and Insular Affairs*

The Securities and Exchange Commission, responsible for administering the Public Utility Holding Company Act of 1935, recommended to Congress in December 1981 that the act be repealed. We identified regulatory gaps that would occur if the act is repealed and found that some states believe they are unprepared to handle the consequences of repeal. We recommended that the Congress, in considering repealing or amending the act, address, through the appropriate congressional committees, the potential impacts that regulatory gaps at the federal level would have on state regulation and ultimately on consumers. (RCED-83-118, Aug. 30, 1983)

28 **Committee jurisdiction:**

Senate: *Banking, Housing, and Urban Affairs*
House: *Energy and Commerce*

To increase the incentives for administrative law judges to expedite the hearing process, the Congress should amend that Administrative Procedure Act to

- require regulatory agencies, such as the Federal Energy Regulatory Commission, to develop administrative law judge performance standards and
- assign the responsibility for periodic performance evaluations to an organization other than the employing agency, such as the Office of Personnel Management or the Administrative Conference of the United States. (RCED-83-51, June 10, 1983)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
House: *Energy and Commerce*

The Congress should approve funding to design a quality control system for the consumer price index (CPI). The importance of the CPI and the substantial amount of public and private sector money tied to its movements make it imperative that CPI reliability is ensured through an appropriate system of quality controls. (GGD-83-32, Apr. 1, 1983)

Committee jurisdiction:

Senate: *Appropriations*
House: *Appropriations*

The Congress should consider alternatives to the present tax treatment of electric cooperatives and adopt treatment which would better recognize the changes in their operations and the present-day environment in which they operate. Several alternative tax treatments include (1) modification of electric cooperatives' nonmember income allowance, (2) elimination of that allowance, or (3) application of tax rules applicable to other cooperative businesses. (GGD-83-7, Jan. 5, 1983)

Committee jurisdiction:

Senate: *Finance*
House: *Ways and Means*
Joint: *Taxation*

Accountability controls for government corporations, which include financial audit, budget reporting and review, and Treasury financial control, are not uniformly reported. Other controls, such as program audit and oversight and on-budget reporting, are not addressed. Congress should consider

- establishing uniform accountability standards for government corporations. This could be done by reviewing the basic corporate controls, 31 U.S.C. 9101-9109.

- amending title 31, section 9101, of the U.S. Code to include a definition that describes government corporations, a list of their common powers or attributes, and three classifications of corporations: predominately federal, mixed federal/private, and predominantly private.
- the need for on-budget reporting of financial transactions for all corporations receiving federal capital, appropriations, or borrowing.

Health

- amending title 31, section 9105, to provide for financial audits of all corporations (including predominantly private corporations) when federal financing has been used.
- expanding 31 U.S.C. 9105 or adding a new provision of law to provide for periodic program review of these congressionally authorized programs.
- granting authority for annual audits or GAO review of annual CPA audits to ensure consistency with standards.
- the applicability of sections 9107 and 9108 of 31 U.S.C. to all government corporations. (PAD-83-3, Apr. 6, 1983)

Committee jurisdiction:
Senate: *Governmental Affairs*
House: *Government Operations*

Using the statutory language proposed by the Department of the Treasury as a guide, the Congress should amend the Bankruptcy Code to allow the Internal Revenue Service (IRS) to assess the taxes reported by bankrupt taxpayers on their returns. (GGD-83-47, June 20, 1983)

Committee jurisdiction:
Senate: *Finance*
House: *Ways and Means*
Joint: *Taxation*

To improve the equitable distribution of federal Medicaid to the states, the Congress should consider changes in the program's matching formula. Suggested changes included replacing personal income with the Representative Tax System and using people in poverty as a factor to better target funds. (GGD-83-46, Mar. 9, 1983)

Committee jurisdiction:
Senate: *Finance*
House: *Energy and Commerce*
Ways and Means

So that the Food and Drug Administration can keep larger numbers of violative drug products out of the marketplace, the Congress should amend section 304(g) of the Federal Food, Drug, and Cosmetic Act by adding products to the language which gives FDA the authority to administratively detail medical devices. (HRD-83-24, Apr. 5, 1983)

Committee jurisdiction:
Senate: *Labor and Human Resources*
House: *Energy and Commerce*

Income Security

To facilitate identification of erroneous food stamp benefit issuances, the Congress should allow states more flexibility in selecting external wage data (such as state income tax data) for conducting wage matches. Existing food stamp legislation requires states to use wage data either from the Social Security Administration (SSA) or from state agencies administering state unemployment compensation laws. Because state employment wage data is not routinely available in all states, some states must use SSA data which may be well over 1 year old. (GAO testimony, Apr. 20, 1983, Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, House Committee on Agriculture)

Committee jurisdiction:
Senate: *Agriculture, Nutrition, and Forestry*
House: *Agriculture*

The Congress should amend stamp legislation to increase collection of overissued benefits. To do this, states should be required to recover overissuances by reducing monthly benefits of recipient households, regardless of the reason for the improper issuance. Such a change would make Food Stamp Program offset authority—currently limited to those overissuances stemming from client errors—comparable to that of the Aid to Families with Dependent Children Program. (RCED-83-40, Feb. 4, 1983; GAO testimony, Apr. 20, 1983, Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, House Committee on Agriculture)

Committee jurisdiction:
Senate: *Agriculture, Nutrition, and Forestry*
House: *Agriculture*

International Affairs

We recommended that the Congress either (1) repeal section 209 of the Foreign Service Act of 1980 and create an independent Inspector General in the State Department by placing them under the Inspector General Act of 1978, or (2) conform section 209 of the Foreign Service Act of 1980 to the Inspector General Act of 1978. (AFMD-83-56, June 6, 1983)

Committee jurisdiction:

House: *Foreign Relations*

Governmental Affairs

Senate: *Foreign Affairs*

Government Operations

The Congress should amend the Arms Export Control Act to allow for low-interest direct loans with maturities up to 30 years to finance security assistance programs with countries facing short- and medium-term economic problems. This would permit tailoring loans to the recipient country's ability to pay for its military imports. Under the off-budget approach in effect, the fund used to guarantee the loans is undercapitalized in relation to risk; a future Congress may need to appropriate billions of dollars to fund a program authorized by a prior Congress. (ID-83-5, Jan. 19, 1983)

Committee jurisdiction:

Senate: *Foreign Relations*

House: *Foreign Affairs*

National Defense

To ensure that long-term leasing of capital-type assets is, in fact, the most economical manner of acquiring such assets, the Congress should enact permanent legislation that requires an agency to provide the key congressional committees with lease versus purchase analyses. The analyses should be based on prescribed criteria and should consider the total cost to government, not just the cost to the acquiring agency. Also, the requesting agency should be required to obtain congressional authorization before entering into long-term leasing programs financed with working capital funds. (PLRD-83-84, June 28, 1983)

Committee jurisdiction:

Senate: *Appropriations*

Armed Services

House: *Appropriations*

Armed Services

In order to correct weaknesses observed in the Department of Defense's 8(a) Program, the Congress should consider

- a modified 8(a) set-aside program to introduce the competitive bidding process missing from the present 8(a) program,
- altering the 8(a) program to permit a direct contracting approach between DOD and the 8(a) firm, and
- providing authority to the executive branch, permitting the President to designate one or more agencies (including at least one service branch of DOD), to implement the option(s) of competitive set-asides and direct contracting on a trial basis. (PLRD-83-4, Oct. 12, 1982)

Committee jurisdiction:

Senate: *Governmental Affairs*

House: *Government Operations*

Transportation

The Congress guaranteed air services to certain small communities for 10 years, ending October 1988. The Congress should consider changing the program's eligibility criteria to allow the Civil Aeronautics Board (CAB) greater flexibility to increase or decrease subsidies to selected communities. It should be recognized that discontinuing subsidies to these communities during the 10-year transition period would represent a change in the guarantee provided by the 1978 act. CAB could be given the authority to

- temporarily increase some subsidies to improve flight scheduling, services, and promotion where this can help a community's air service market to where it will no longer require subsidies and

- discontinue subsidies to communities that are unlikely to be able to support air service after 1988 because they are close enough to larger airports offering better air service or are too small and isolated to generate enough traffic for self-sufficient service.

The Congress should also consider permitting CAB to allow communities with greater air service needs to replace lower priority essential air service communities if states propose such replacement. (RCED-83-97, May 18, 1983)

Committee jurisdiction:

Senate: *Commerce, Science,
and Transportation*

House: *Public Works and
Transportation*

Veterans Benefits and Services

The Congress should limit training assistance allowances to veterans in apprenticeship and on-the-job training programs to the difference between the wages they are expected to receive at the completion of training. (HRD-83-12, Oct. 19, 1982)

Committee jurisdiction:
Senate: *Veterans' Affairs*
House: *Veterans' Affairs*

Open Legislative Recommendations from Prior Years

Administration of Justice

The Congress should strike the reference to \$5,000 from 18 U.S.C. 2314 so that federal jurisdiction can be directed to those quality offenses where an expenditure of federal resources would have the most impact on the nation's property crime problem. This would bring interstate transportation of stolen property violations in line with other property statutes in not requiring a monetary standard for determining federal jurisdiction. (GGD-80-43, May 8, 1980)

Committee jurisdiction:
Senate: *Judiciary*
House: *Judiciary*

The Congress should enact legislation authorizing

- the Secretaries of the Interior, Agriculture, and the Army; and the Board of Directors, Tennessee Valley Authority, to designate employees to maintain law and order and protect persons and property on federal lands;
- federal officials to carry firearms, secure and execute needed federal orders, conduct investigations, make warrantless arrests in certain cases, apply certain federal criminal statutes to land administered by federal agencies, make appropriate authorizations resulting in placing such land in a concurrent jurisdiction status; and
- federal officials to cooperate with any state in the enforcement of state laws by providing appropriate reimbursements to such states. (GGD-77-28, June 21, 1977)

Committee jurisdiction:
Senate: *Judiciary*
House: *Judiciary*

Agriculture

The Congress should consider whether federal financial assistance should (1) continue to be provided to encourage wool production and/or (2) be provided to generally assist the sheep industry. If the federal wool program is retained, the Congress should eliminate payments to noncommercial producers and payments for unshorn lambs because these payments are not accomplishing their intended objectives. (RCED-82-86, Aug. 2, 1982)

Committee jurisdiction:
Senate: *Agriculture, Nutrition, and Forestry*
Appropriations
Budget

House: *Agriculture*
Appropriations
Budget

If the Congress decides to keep the current parity price standard as a basis for establishing the milk support price, it should amend the Agricultural Act of 1949 to

- shift the base period from 1910-14 to a more recent period that is comparable with other national indexes;
- authorize the Secretary of Agriculture to eliminate the family living component from the parity index to more accurately reflect the cost of milk production;
- eliminate the requirement to set the milk support price at a level between 75 and 90 percent of parity;
- require the Secretary to set the support price at the level of parity that will balance the interests of producers, consumers, and taxpayers after considering changes in the cost of producing milk, milk product stocks, and demand for milk products; and
- require the Secretary to adjust the price-support level if the 12-month moving total of Commodity Credit Corporation (CCC) net removals of dairy products exceeds trigger levels established by the Secretary.

Commerce and Housing Credit

If the Congress decides to adopt a dairy parity price standard for the short term and a standard based on a more comprehensive formula for the long term, it should enact legislation to

- direct the Secretary, in conjunction with milk producer and consumer groups and with input from the Congress, to perform the research to select factors and assign weights needed to develop a comprehensive formula that will balance the interests of producers, consumers, and taxpayers and then, if appropriate, implement the formula and
- authorize the Secretary, until such a comprehensive formula can be developed and implemented, to (1) base the support price on 100 percent of the dairy parity price using a base period comparable with other national indexes, and (2) adjust the price-support level when CCC purchases of dairy products exceed trigger levels established by the Secretary.

To provide more uniform participation in funding programs to encourage and promote the use of milk and milk products, the Congress should establish a federal nationwide milk-producer promotion program and set the contribution rate as a percentage of sales. However, if after considering these recommendations the Congress decides to retain promotion programs under current federal milk-marketing orders, it should amend the Agricultural Marketing Agreement Act of 1937 to

- eliminate the refund provision in federal orders, making mandatory promotion provisions a part of all federal orders and
- set the contribution rate as a percentage of sales. (CED-80-88, July 21, 1980)

Committee jurisdiction:

Senate: *Agriculture, Nutrition, and Forestry*
House: *Agriculture*

To improve cost efficiency of housing assistance programs and ensure greater equity of service of families and the working poor, the Congress should

- require the Department of Housing and Urban Development (HUD) to use taxable bonds rather than tax-exempt for state agency section 8 financing;
- require HUD to report periodically to the housing oversight committees during the next 2 years on how well the needs of families and nonpoverty, lower income households are being met by the various housing programs (such reports should compare the housing assistance provided to all income groupings in accordance with need on a national basis);
- enact legislation requiring that some percentage of housing assistance funds go to nonelderly households and particularly larger eligible households above the poverty level (this would be based on HUD's national needs assessment); and
- provide necessary funding shifts to allow HUD to emphasize public housing, the least costly alternative over a 20-year subsidy life. (PAD-80-13, Sept. 30, 1980)

Committee jurisdiction:

Senate: *Appropriations*
Banking, Housing, and Urban Affairs
House: *Appropriations*
Banking, Finance and Urban Affairs

To maximize service of the section 8 program to its intended beneficiaries, the Congress should consider whether a stricter limitation should apply to admission of ineligible households to section 8 projects already under contract. This could be achieved by either enacting legislation to apply a 5-percent limitation to completed projects already under contract or directing the Department of Housing and Urban Development to change its regulations to have the same effect. (CED-81-74, Apr. 27, 1981)

Committee jurisdiction:

Senate: *Banking, Housing, and Urban Affairs*
House: *Banking, Finance and Urban Affairs*

To make federal credit assistance programs more consistent with fiscal and monetary policy, the Congress should consider adding to its present efforts to control federal credit assistance flows a mechanism for controlling federal loan programs that will support federal economic stabilization goals. (PAD-82-22, Oct. 21, 1981)

Committee jurisdiction:

Senate: *Banking, Housing, and Urban Affairs*
Budget
House: *Banking, Finance and Urban Affairs*
Budget
Joint: *Economic Committee*

If it wishes to endorse the development of competition in common carrier telecommunications, the Congress should

- amend title I of the Communications Act of 1934 to direct the Federal Communications Commission (FCC) to rely on competition and the private sector to the maximum extent possible to achieve the overall goals of the act and
- amend title II of the Communications Act to allow FCC, upon a finding that it is in the public interest, to exempt any carrier from any or all provisions of title II.

To improve the FCC's program for regulating domestic telecommunications common carriers, the Congress should amend the Communications Act of 1934 to

- give FCC the authority to prescribe an interim tariff based on the cost data which a carrier submits in support of its tariff and
- give FCC regulatory authority over all interexchange telecommunications facilities and services. (CED-81-136, Sept. 24, 1981)

Committee jurisdiction:

Senate: *Commerce, Science, and Transportation*
House: *Energy and Commerce*

Community and Regional Development

The Congress should consider whether to continue providing federal flood insurance for new or substantially improved structures in hazardous areas of coastal and barrier island communities participating in the flood insurance program. The basic questions are whether, after some future date, the Congress wishes to have potential losses relating to new or substantially improved construction borne solely by those continuing to build or buy in these hazardous areas, or to continue to have the federal government share in the potential losses. Any action by the Congress to deny flood insurance must also include difficult choices of retaining or denying the advantages, disadvantages, and consequences of other federal financial assistance, disaster relief, and tax benefits. Merely denying flood insurance on new construction and improvements in hazardous areas will not eliminate the availability of other forms of federal relief. Consequently, the federal government and potential victims of natural disasters would continue to share risks in hazardous areas. (RCED-82-105, Aug. 16, 1982)

Committee jurisdiction:

Senate: *Banking, Housing, and Urban Affairs*

House: *Banking, Finance and Urban Affairs*

To adequately assess the capability of state and local governments to handle their own disasters, the Congress should direct the Federal Emergency Management Agency to (1) prepare a comprehensive analysis of the impact of potential state inequities on federal disaster assistance and (2) submit to the Congress a detailed plan and legislative changes to correct such weaknesses. (CED-82-4, Dec. 7, 1981)

Committee jurisdiction:

Senate: *Environment and Public Works*
House: *Public Works and Transportation* ■

Education, Training, Employment, and Social Services

The Congress should amend the Fair Labor Standards Act (29 U.S.C. 201, et seq. (1976)) to

- give Labor authority to assess civil money penalties large enough to deter recordkeeping violations,
- eliminate the act's section 16(c) on liquidated damage provision and, in its place, give Labor authority to deter minimum wage and overtime violations, and
- give Labor authority to formally assess a violation of the act as well as the amount of illegally withheld back wages, including interest, and provide for a formal administrative process to adjudicate cases when employers appeal Labor's assessments.

The Congress should also amend section 6 of the Portal-to-Portal Pay Act of 1947 (29 U.S.C. 255) so that the statute of limitations tolls when a violation of the Fair Labor Standards Act is formally assessed by Labor. (HRD-81-60, May 28, 1981)

Committee jurisdiction:

Senate: *Labor and Human Resources*

House: *Education and Labor*

The Congress should amend the Fair Labor Standards Act (29 U.S.C. 201, et seq. (1976)) to require that back wages resulting from violations of the act found to be due employees who cannot be located, be deposited in the U.S. Treasury as miscellaneous receipts. (HRD-81-15, Jan. 30, 1981)

Committee jurisdiction:

Senate: *Labor and Human Resources*

House: *Education and Labor*

The federal government has no policy covering the pensions of contractor employees who work at federal installations. If the Congress determines that the pension benefits of contractor employees who work for long periods of time at federal installations should be protected, it should direct the Administrator for Federal Procurement Policy to establish a government-wide policy and implement regulations to help ensure such protection. The Department of Energy's pension protection arrangements would provide a

good model for such a policy. (HRD-81-102, Sept. 3, 1981)

Committee jurisdiction:

Senate: *Finance*

Labor and Human Resources

House: *Education and Labor*

Ways and Means

Joint: *Taxation*

In support of the Employee Retirement Income Security Act and Internal Revenue Code policies protecting the rights of pension plan participants to promised benefits, the Congress should enact legislation that would make pension plan determinations by the Internal Revenue Service mandatory for tax qualification of terminating private pension plans before plan dissolution. (HRD-81-117, Sept. 30, 1981)

Committee jurisdiction:

Senate: *Finance*

Labor and Human Resources

House: *Education and Labor*

Ways and Means

Joint: *Taxation*

The Congress should amend the Wagner-O'Day Act to require the "Committee for Purchase from the Blind and Other Severely Handicapped" to directly notify current suppliers and others who would be adversely affected when the Committee is considering selling a product or service to the government. This would minimize the impact on small businesses and would assure that the best information is available to decide whether specific services and commodities are suitable for purchase by the government from sheltered workshops. Also, we recommend that the Congress amend the Wagner-O'Day Act to require sheltered workshops to meet a specific standard, such as 75 percent, for handicapped direct labor hours on commodities and services provided under the program. (HRD-81-99, Sept. 28, 1981)

Committee jurisdiction:

Senate: *Labor and Human Resources*

House: *Government Operations*

Energy

The Congress should amend section 7 of the Service Contract Act of 1965 (41 U.S.C. 366 (1976)) to exclude act coverage for automatic data processing and other high-technology industries' commercial product-support services, i.e., services procured by the government from these industries on the basis of established market prices of commercial services sold in substantial quantities to the public. (HRD-80-102, Sept. 16, 1980; HRD-80-102(A), Mar. 25, 1981)

Committee jurisdiction:

Senate: *Governmental Affairs*
Labor and Human Services
House: *Education and Labor*
Government Operations

The Congress should designate the Nuclear Regulatory Commission (NRC) as the lead federal agency for developing and monitoring the implementation of a national policy for decommissioning of nuclear facilities and sites. The Congress should also ensure that the Department of Energy and the Department of Defense provide assistance and input to NRC in developing this policy. Pending such a designation by the Congress, GAO believes that each federal agency responsible for handling or licensing radioactive materials and facilities should act to strengthen its decommissioning program. (EMD-82-40, May 25, 1982)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
Environment and Public Works
House: *Interior and Insular Affairs*
Science and Technology

The Congress should consider legislation requiring the Nuclear Regulatory Commission (NRC) to review and evaluate various Department of Energy nuclear facilities and processes, including plant operations, the contractor's safety analysis methodology and reports, and actions taken to mitigate hazards. These evaluations should also examine the adequacy of Energy's safety analysis document review. NRC should be required to report the results of its review and evaluation to the Congress within 1 year. (EMD-81-108, Aug. 4, 1981)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
House: *Science and Technology*

The Congress should consider establishing a statutory office of Inspector General at the Nuclear Regulatory Commission (NRC). Such an office could help ensure that the Congress and the Commissioners receive objective information on problems within NRC and might enhance public trust in the regulation of commercial nuclear power. (EMD-81-72, July 9, 1981)

Committee jurisdiction:

Senate: *Governmental Affairs*
House: *Government Operations*

The Congress should (1) amend the Price-Anderson Act to provide as much protection for the Department of Energy's contractor activities as for licensed commercial operations and (2) amend the definition of a nuclear incident contained in the Atomic Energy Act of 1954 to include coverage for precautionary evacuations that result because a radioactive release appears imminent but then does not occur. The Congress should determine whether a new limit on liability needs to be set and whether the limit should be tied to an index to allow for periodic readjustment. (EMD-81-111, Sept. 14, 1981)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
House: *Banking, Finance*
and Urban Affairs
Energy and Commerce
Interior and Insular Affairs
Science and Technology

The Congress should adjust the Department of Energy's Schools and Hospitals Conservation Program to fund additional energy audits so that these audits may be available to all institutions that want and could benefit from them. If this is done, overall energy savings could increase without increasing program funding. (EMD-81-47, Mar. 23, 1981)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
House: *Energy and Commerce*

The Congress should enact new legislation on the issue of energy use and management in the federal sector to consolidate various existing laws. The legislation should

- require the President to develop and implement, through the Department of Energy (DOE), an aggressive and comprehensive Federal Energy Management Program and clearly define the roles, authority, and responsibilities that DOE and other executive branch agencies are to fulfill in the program;
- require, under FEMP's purview, the development and implementation of specific plans and programs;

General Government

- require the President to complete action on the above items within 16 months after legislation is enacted and report to the Congress; and
- provide to DOE central funding and control over energy conservation funds, and earmark and restrict such funds to energy conservation use. (EMD-81-11, Dec. 12, 1979)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
Governmental Affairs

House: *Government Operations*
Public Works and
Transportation

The Congress should determine whether it wishes to be excluded from reviewing decisions to close lands to mineral leasing. If not, the Congress should

- amend section 202(e) of the Federal Land Policy and Management Act (FLPMA) to provide that management decisions closing lands to mineral leasing affecting smaller tracts be reported to the Congress and
- amend section 3 of the Engle Act so that the withdrawal information for military applications conforms with FLPMA section 204(c)(2). (EMD-81-40, Feb. 12, 1981)

Committee jurisdiction:

Senate: *Armed Services*
Energy and Natural Resources

House: *Armed Services*
Interior and Insular Affairs

The Congress should take legislative action to eliminate unneeded production rate-setting functions for offshore leases. The Department of the Interior requires offshore lease operators to submit information regarding the rate at which oil and gas can be produced from the leases they operate to Interior's Minerals Management Service (MMS). Data for three different production rates is currently being requested and compiled by MMS. We found that most of the data being submitted was of little value and that one of the rates being calculated was not needed. Accordingly, the Congress should repeal section 606 of the Outer Continental Shelf Lands Act Amendments of 1978, which provides for the unneeded rate,

to eliminate some of MMS data gathering and reporting requirements. (EMD-82-97, Sept. 10, 1982)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
House: *Interior and Insular Affairs*
Merchant Marine and Fisheries

The Department of Energy is required to report annually to the Congress on state and utility actions on electric ratemaking and regulatory standards, but the act is unclear on the specific contents of the reports. We recommended that the Congress (1) ensure, through the appropriations process, that the Department of Energy has sufficient priority to prepare and submit its third annual report to the President and the Congress in a timely fashion and (2) repeal the annual reporting requirement (section 116) of the Public Utility Regulatory Policies Act, effective after the completion of Energy's third annual report, to reduce the paperwork burden on both the federal government and the private sector and eliminate the cost to the individual taxpayer. If there is future interest in the ratemaking status of states and utilities that is not satisfied by available reports, the Congress can request the preparation of such reports at future times. (EMD-81-105, Sept. 14, 1981)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
House: *Energy and Commerce*

The Congress should enact legislation giving the Department of Energy the necessary authority to minimize pipeline disruptions. This authority could include

- onsite visits to pipeline facilities to identify and analyze critical pipelines and
- periodic inspections to determine compliance and reassess physical security. (EMD-79-63, Aug. 27, 1979)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
House: *Interior and Insular Affairs*

To avoid interruptions in the normal functions of federal agencies when appropriations bills are not passed on time, the Congress should:

- consider shifting more programs to authorization and appropriations cycles of 2 or more years,
- consider establishing and adhering to a reserve for fall and spring adjustments for emergencies and uncontrollable cost growth, and
- enact permanent legislation to allow all agencies to incur obligations, but not expend funds, when appropriations expire (except where program authorization has expired or the Congress has expressly stated that a program should be suspended pending legislative action). (PAD-81-31, Mar. 3, 1981)

Committee jurisdiction:

Senate: *Governmental Affairs*
House: *Government Operations*

To improve the efficiency and equity of federal user charge policy and practices, the Congress could (1) require agencies to determine correspondence between current user charges, whether mandated by statute or set by the agencies, and the principles presented in our report, (2) require agencies to present this information to it through the Office of Management and Budget (OMB) and then decide what charges, if any, were necessary, and (3) amend existing legislation or instruct agencies to implement these charges, monitored and assisted by OMB. (PAD-80-25, Mar. 28, 1980)

Committee jurisdiction:

Senate: *Appropriations*
Governmental Affairs
House: *Appropriations*
Government Operations

Because enforcing the tax laws involves separate governmental entities with their own budgets, the Congress should ensure that the Treasury and Justice Departments develop a streamlined legal review process for criminal tax cases and that any revised system realizes potential cost savings while safeguarding taxpayers' legal rights. (GID-81-25, Apr. 29, 1981)

Committee jurisdiction:

Senate: *Finance*
House: *Ways and Means*
Joint: *Taxation*

General Government (continued)

To collect delinquent nontax receivables, the Congress should enact legislation to reduce future income tax refunds due to debtors. Arrangements for using these IRS offsets to collect nontax debts could be worked out between IRS and the federal agencies wishing to refer debts for offset, with the Attorney General having a consultation role in the development of such agreements. Such offsets should be made only after procedures to protect the debtors' rights to due process had been instituted. (FGMSD-80-68, July 19, 1980)

Committee jurisdiction:

Senate: *Appropriations*
Finance
Governmental Affairs

House: *Appropriations*
Government Operations
Ways and Means

In replacing lost and forged checks, the Treasury Department is making duplicate payments despite laws prohibiting them, and payments to forgery victims are not charged to the proper fund. If the Congress decides that the Treasury should continue its current procedures in issuing and paying substitute checks, the Congress should amend the law to permit the procedure and appropriate the funds to absorb the payments.

The Congress should also

- authorize the Treasury to charge all payments resulting from check forgeries to the Check Forgery Insurance Fund and

- provide the appropriations necessary for the fund's operation. The primary options for providing the resources are to (1) increase the fund's existing appropriation or (2) authorize a permanent indefinite appropriation for the fund. (AFMD-81-68, Oct. 1, 1981)

Committee jurisdiction:

Senate: *Appropriations*
Governmental Affairs

House: *Appropriations*
Government Operations

If the Congress wants to ensure the establishment of the Federal Information Locator System (FILS), it should amend OMB's appropriation to provide specific funding for the Office of Information and Regulatory Affairs' paperwork reduction and related information management activities. The Paperwork Reduction Act authorization requires that a sum be appropriated "to carry out the provisions of this chapter, and for no other purpose." The appropriation for OMB could be amended to more fully reflect the spirit of the Paperwork Reduction Act authorization language and to better ensure allocation of resources for establishment and operation of FILS. (GGD-82-76, June 17, 1982)

Committee jurisdiction:

Senate: *Appropriations*
Governmental Affairs

House: *Appropriations*
Government Operations

For federal blue-collar employee pay-setting procedures to achieve comparability in both pay and benefits with the private sector, legislation is needed to revise

- the five-step system for each non-supervisory grade,
- wage rates which are based on the private-sector rates paid in other wage areas, and
- night-shift differentials that are not determined in accordance with prevailing industry practices but are based on a percentage of the scheduled wage rate. (FPCD-80-12, Oct. 29, 1979)

Committee jurisdiction:

Senate: *Governmental Affairs*

House: *Post Office and Civil Service*

The Congress should direct the Office of Personnel Management, in coordination with the Department of Defense, to study the feasibility of (1) having the Bureau of Labor Statistics (BLS) do the nonappropriated fund wage surveys or (2) linking or indexing nonappropriated fund wages to the Federal Wage System appropriated fund pay system. The Congress should also

- amend the Federal Pay Comparability Act of 1970 (5 U.S.C. 2305) to eliminate the requirement to conduct the comparability survey each year and

to provide for interim-year pay adjustments by using the BLS Employment Cost Index and

- amend the Prevailing Rate Systems Act of 1972, making BLS responsible for conducting the blue-collar appropriated fund surveys as part of its area wage survey programs. (FPCD-81-60, June 23, 1981)

Committee jurisdiction:

Senate: *Governmental Affairs*

House: *Post Office and Civil Service*

The Congress should improve the pay-setting process for federal executives by

- allowing the annual adjustments for executives under Public Law 94-82 to take effect,
- discontinuing the practice of linking congressional and Executive Level II salaries, and
- allowing Senior Executive Service performance and rank awards to take effect without further restrictions on payments. (FPCD-80-72, July 31, 1980)

Committee jurisdiction:

Senate: *Appropriations*
Governmental Affairs

House: *Appropriations*
Post Office and Civil Service

The Congress should amend the Federal Pay Comparability Act of 1970 to further limit the President's use of alternative plans for federal white-collar comparability adjustments to ensure that they will be used in situations which are more indicative of national emergencies or economic conditions affecting the general welfare.

This recommendation can be accomplished in a number of ways. We are providing the following options to the Congress in order of preference.

- Require a majority vote of both Houses of Congress for the President to implement an alternative plan.
- Require the President to demonstrate how the plan contributes to remedying the national emergency or severe economic conditions and to ensure that federal employees are treated consistently with private-sector employees.

- Specify in the law what constitutes a "national emergency or economic conditions affecting the general welfare" in justifying alternative plans. (FPCD-80-17, Nov. 13, 1979)

Committee jurisdiction:

Senate: *Governmental Affairs*

House: *Past Office and Civil Service*

The Ethics in Government Act of 1978 was enacted to require public financial disclosure by Members of Congress and other high-level officials in all three branches of government. Because of the absence of both a well-defined disclosure system and strict enforcement, the Congress should

- conform the ethics law definition of a candidate to that of the Federal Election Campaign Act,
- determine whether the law should be amended to impose a civil penalty to discourage late filing, and
- consider legislation to delete the requirement that member and candidate disclosure reports be forwarded to the appropriate states. (FPCD-81-20, Mar. 4, 1981)

Committee jurisdiction:

Senate: *Select Committee on Ethics*

House: *Standards of Official Conduct*

The Congress should amend the Federal Employees' Group Life Insurance Act to

- increase the minimum post-age 65 coverage to 50 percent of the coverage at retirement and
- correlate postretirement benefits with length of participation in the Group Life Program. (FPCD-81-47, Aug. 21, 1981)

Committee jurisdiction:

Senate: *Governmental Affairs*

House: *Past Office and Civil Service*

The Congress should enact legislation requiring that CPI-U be used instead of CPI-W to compute cost-of-living adjustments for federally administered retirement programs, such as social security, civil service, and military. CPI-U is a more precise measure of inflation than CPI-W. (GGD-82-41, June 1, 1982)

Committee jurisdiction:

Senate: *Finance*

Governmental Affairs

House: *Past Office and Civil Service*

Ways and Means

The Congress should include Tennessee Valley Authority employees in the coverage under labor-management relations legislation of either those statutes applicable to the private sector or those applying to other federal employees. (FPCD-78-12, Mar. 15, 1978)

Committee jurisdiction:

Senate: *Governmental Affairs*

Labor and Human Resources

House: *Education and Labor*

Past Office and Civil Service

The Congress should amend 5 U.S.C.

2302(a)(2)(c)(i) by deleting the term "government corporation" and inscribing instead the following: "...government corporations exempted from the Civil Service law and regulations governing the appointment and removal of officers and employees of the United States. (FPCD-81-28, Apr. 7, 1981)

Committee jurisdiction:

Senate: *Governmental Affairs*

House: *Past Office and Civil Service*

The Congress should enact legislation requiring federal agencies to fully disclose when consulting service contractors assist in preparing congressionally mandated reports. The Congress should also act on our earlier recommendation to legislate a national policy of reliance on the private sector for goods and services. (FPCD-81-43, June 19, 1981)

Committee jurisdiction:

Senate: *Governmental Affairs*

House: *Government Operations*

Past Office and Civil Service

The Congress should consider whether an individual is an employee or a self-employed independent contractor by amending section 3121 of the Internal Revenue code to exclude separate business entities from the common law definition of employee in those instances where they

- have a separate set of books and records which reflect items of income and expenses of the trade or business,
- have the risk of suffering a loss and opportunity of making a profit,
- have a principal place of business other than at the place of business furnished by the persons for whom he or she performs or furnishes services, and

- hold themselves out in their own name as self-employed and/or make their services generally available to the public.

The Congress should amend section 3121 to require separate business entities to meet three of the four criteria before using common law criteria to determine employment status. If the independent contractor cannot meet three of the criteria, we recommended that he be considered an employee. (GGD-77-88, Nov. 21, 1977)

Committee jurisdiction:

Senate: *Finance*

House: *Ways and Means*

Joint: *Taxation*

The Social Security Act, section 205(e), should be amended so that persons who have not paid the required tax on income from self-employment are prohibited from receiving credits toward social security benefits. (GGD-77-78, Aug. 8, 1977)

Committee jurisdiction:

Senate: *Finance*

House: *Ways and Means*

Joint: *Taxation*

The Congress should amend section 6521 of the Internal Revenue Code. This amendment should authorize the IRS to reduce the portion of employees' social security taxes assessed against employers by an appropriate portion of the self-employment social security taxes that are paid by re-classified employees for the open statute years. (GGD-77-88, Nov. 21, 1977)

Committee jurisdiction:

Senate: *Finance*

House: *Ways and Means*

Joint: *Taxation*

The Congress should amend the Architectural Barriers Act of 1968 so that it clearly defines the Architectural and Transportation Barriers Compliance Board's role and is consistent with the Rehabilitation Act of 1973.

Specifically the Congress should

- establish the Board as the principal authority to provide leadership and ensure compliance,
- require the Department of Housing and Urban Development, the Department of Defense, the General Services Administration (GSA), and the Postal

Service to consult with the Board and to obtain its concurrence that standards conform to the guidelines and requirements, and

- require the Board, rather than GSA, to report all federal activities pertaining to standards issued, revised, amended, or repealed under the Barriers Act. (FPCD-80-51, June 6, 1980)

Committee Jurisdiction:

Senate: *Environment and Public Works
Labor and Human Resources*

House: *Education and Labor
Public Works and
Transportation*

The Congress should reassess the need to retain the personal casualty and theft loss provision (section 165(c)(3)) of the Internal Revenue Code in its present form.

In making such a reassessment, the Congress could consider several alternatives, such as

- repealing the personal casualty and theft loss deduction on the ground that is inherently inadmissible;
- allowing a deduction for all or a percentage of the cost of premiums for casualty insurance covering real property; and personal effects;
- limiting the allowable loss to an amount in excess of the stated percentage of adjusted gross income, restricting the category of loss events and loss property, repealing the netting rules of section 1231, and treating an excess casualty or theft loss as a net long-term capital loss carryforward; or
- amending the Treasury Regulations to limit the recognized loss to the amount of realized loss attributable solely to the casualty or theft.

Section 203 of the Tax Equity and Fiscal Responsibility Act of 1982 (Public Law 97-248, Sept. 3, 1982) provides that nonbusiness casualty losses are deductible only to the extent that total losses sustained during the year exceed 10 percent of adjusted gross income. This implements one aspect of the third alternative listed above but does not fully implement any one of the alternatives. (GGD-80-10, Dec. 5, 1979)

Committee Jurisdiction:

Senate: *Finance*

House: *Ways and Means*

Joint: *Taxation*

To better protect the interests of the government and taxpayers, the Congress should amend section 6336 (e)(1) of the Internal Revenue Code to provide that if no person offers to purchase property at a sale at the minimum bid price, the property shall be declared to be purchased at such price for the United States or released back to the taxpayer if IRS determines it is not in the best interest of the government to purchase the property. Such a determination must be made by IRS prior to the sale. The criteria used by IRS to make such a determination should be developed by the Commissioner. (GGD-78-42, July 31, 1978)

Committee Jurisdiction:

Senate: *Finance*

House: *Ways and Means*

Joint: *Taxation*

The Congress should amend section 117 of the Internal Revenue Code and add a new educational expense deduction section to clarify the law. (GGD-78-72, Oct. 31, 1978)

Committee Jurisdiction:

Senate: *Finance*

House: *Ways and Means*

Joint: *Taxation*

To streamline the bank merger process, the Congress should amend the Bank Merger Act and the Bank Holding Company Act. These amendments would change the way bank regulators handle what is termed the "phantom merger" process, change the periods of comment on certain kinds of mergers, and alter the agencies' assessments of competitive effects of mergers. (GGD-82-53, Aug. 16, 1982)

Committee Jurisdiction:

Senate: *Banking, Housing, and
Urban Affairs*

House: *Banking, Finance and
Urban Affairs*

The Congress could safely reduce the amount of federal reviews of interstate bank branching applications by amending the Federal Reserve Act and the Federal Deposit Insurance Act to replace the broad review requirement. Reviews of intrastate branches should be on an exception basis. The Congress should also differentiate between staffed branches and automated remote services facilities by amending the McFadden Act and another section of

the Federal Deposit Insurance Act. These two types of facilities have a much different impact on banking services and competition. (GGD-82-31, Feb. 24, 1982)

Committee Jurisdiction:

Senate: *Banking, Housing, and
Urban Affairs*

House: *Banking, Finance and
Urban Affairs*

The Congress should amend section 6103 of the Internal Revenue Code of 1954, as amended, and title 13 of the United States Code to allow the Bureau of the Census to provide certain information on business establishments to federal and state cooperative agencies for statistical purposes. Amendments to these laws would help improve the quality and comparability of economic statistics and reduce business response burden from numerous federal statistical surveys. (GGD-79-17, May 25, 1979)

Committee Jurisdiction:

Senate: *Finance*

House: *Post Office and Civil Service
Ways and Means*

The Congress should amend title V of Public Law 95-134 to address the following questions:

- Should federal agencies be required to consolidate grants to U.S. Insular Areas, and which financial assistance grants should be required for inclusion in the consolidations?
- May federal agencies properly modify existing rules and regulations of programs included in consolidated grants for Insular Areas, and what is the scope of their authority to do so?
- Should all federal agencies be required to waive all matching requirements for Insular Areas?
- May restrictions properly be placed on the Insular Areas' flexibility to allocate funds under a consolidated grant? (GGD-81-61, July 10, 1981)

Committee Jurisdiction:

Senate: *Energy and Natural Resources*

House: *Interior and Insular Affairs*

Health

Income Security

Because so many states have difficulty complying with the federal law regarding the claiming of federal Medicaid sharing for the costs incurred in serving persons eligible for both Medicaid and Medicare and, as a result, the states have improperly claimed such federal sharing, the Congress should change the law to simplify program administration. The Congress should consider the options presented in our report when amending the law. (HRD-79-96, Oct. 2, 1979)

Committee jurisdiction:

Senate: *Finance*

House: *Energy and Commerce*
Ways and Means

The Congress should enact legislation disallowing the Railroad Retirement Board to select a nationwide carrier to process Part B Medicare claims and should transfer responsibility for claims processing and payment to the area carriers handling those claims for other Medicare beneficiaries.

The Congress should also amend title XIX of the Social Security Act to require Medicare contractors to process Medicaid liability for crossover claims using integrated data processing systems, unless a state can present the Secretary of Health and Human Services with evidence that another system is equally efficient and effective. (HRD-79-76, June 29, 1979)

Committee jurisdiction:

Senate: *Finance*

House: *Energy and Commerce*
Ways and Means

The Congress should amend the Tax Reform Act of 1976 to permit disclosure of (1) IRS data on sources and amounts of unearned income, and (2) individual wage data, data on earnings from self-employment, and payments of retirement income maintained by SSA, to federal, state, and local agencies administering federally funded, needs-based programs. Also, the Congress should enact legislation to require that Social Security numbers be obtained for applicants and recipients of any federally funded, needs-based programs. (HRD-82-9, Jan. 14, 1982)

Committee jurisdiction:

Senate: *Agriculture*

Banking, Housing, and
Urban Affairs
Finance

House: *Agriculture*
Banking, Finance and
Urban Affairs
Energy and Commerce
Ways and Means

The Congress should amend section 1612(a)(2)(A) of the Social Security Act related to the Supplemental Security Income program to treat in-kind support and maintenance the same, regardless of the living arrangement of the recipient. This would result in recipients being treated more uniformly and equitably. (HRD-77-17, June 23, 1977)

Committee jurisdiction:

Senate: *Agriculture*

Banking, Housing, and
Urban Affairs
Finance

House: *Agriculture*
Banking, Finance and
Urban Affairs
Energy and Commerce
Ways and Means

To eliminate the principal benefit gaps and duplications in federal food assistance programs and to improve their overall coordination, the Congress should

- adopt a uniform definition of the term "needy" and establish consistent criteria and procedures for determining who is eligible for federal food assistance, approve an explicit national policy on how much food assistance should be provided to needy Americans by the federal government,
- consolidate federal food programs,
- authorize the Secretary of Agriculture to implement individualized food stamp allotments nationwide, if demonstration projects show the feasibility of such allotments,
- eliminate duplicative benefits by allowing consideration of benefits from one federal food program when determining eligibility and benefit levels under others, and
- require a single state/local agency to be responsible for certain administrative aspects of designated federal food programs to help ensure more efficient delivery of food assistance to needy Americans.

Legislative revisions in the 1981 and 1982 Omnibus Budget Reconciliation Acts, Public Laws 97-35 and 97-253, allowed states to reduce duplicate benefits by counting food stamp benefits as income for the Aid to Families with Dependent Children (AFDC) Program. In addition, resource limitation tests for food stamp benefits were more closely connected to AFDC eligibility. However, further changes would be needed to fully address our recommendations. (CFD-78-113, June 13, 1978; GAO testimony, Mar. 19 and 30, 1981, Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, House Committee on Agriculture, and Apr. 2, 1981, Senate Committee on Agriculture, Nutrition, and Forestry)

Committee jurisdiction:
Senate: *Agriculture, Nutrition, and Forestry*
House: *Agriculture*
Education and Labor

International Affairs

National Defense

The Congress should amend the Federal Employees Compensation Act to

- reconsider at what level federal workers' compensation benefits should be set to lessen inequities among beneficiaries and to reestablish the original congressional intent of providing economic incentives to return to work and
- integrate the federal workers' compensation and federal retirement programs to provide for the transfer of compensation beneficiaries to the retirement program. (HRD-81-19, Mar. 9, 1981)

Committee jurisdiction:

Senate: *Governmental Affairs*
Labor and Human Resources
House: *Education and Labor*
Post Office and Civil Service

The Congress should amend the Export Administration Act to require Department of Defense to make the initial recommendation on export applications that must be forwarded to DOD and have the Department of Commerce limit its review on these applications to those that DOD recommends denying or approving with conditions. (ID-82-14, May 26, 1982)

Committee jurisdiction:

Senate: *Banking, Housing, and Urban Affairs*
House: *Foreign Affairs*

The Congress should direct the Export-Import Bank to emphasize either its statutory mandate to be competitive or its longstanding and congressionally accepted policy of remaining self-sustaining. (ID-81-48, June 24, 1981)

Committee jurisdiction:

Senate: *Banking, Housing, and Urban Affairs*
House: *Banking, Finance and Urban Affairs*

The Congress should amend the Trade Act of 1974 to require petitioners to submit specific adjustment strategies and to prohibit labor or management from filing a petition unless it is evident that the petitioner is the only one from which specific adjustment commitments will be sought. (ID-81-42, Aug. 5, 1981)

Committee jurisdiction:

Senate: *Finance*
House: *Ways and Means*

The Congress should not approve a permanent educational assistance program (GI Bill) until the Department of Defense has performed a comprehensive test to determine the most cost-effective mix of recruiting incentives needed to attract the necessary quantity and quality of enlistees.

The Congress should enact legislation which would

- authorize selected educational assistance benefits for the period of the test;

- task the Secretary of Defense with expanding the scope of the bonus test program to measure the relative cost-effectiveness of bonuses and other incentives and management prerogatives; and
- task the Secretary of Defense with (1) conducting the test in a controlled environment, (2) developing an implementation evaluation plan, and (3) to the extent possible, preventing the reoccurrence of the problems encountered in the Educational Assistance Test Program. (FPCD-82-12, Jan. 26, 1982)

Committee jurisdiction:

Senate: *Appropriations*
Armed Services
Veterans' Affairs
House: *Appropriations*
Armed Services
Veterans' Affairs

The Congress should amend the Arms Export Control Act to require that all sales from DOD inventories reflect the cost of normal inventory losses. This amendment would ensure that all foreign governments are treated equitably and all indirect costs are properly charged under the foreign military sales program. (AFMD-81-105, Oct. 5, 1981)

Committee jurisdiction:

Senate: *Armed Services*
House: *Armed Services*

Natural Resources and Environment

The Congress should consider whether the federal government will further participate in wastewater treatment plant replacement. If it should decide that state and/or local governments are to be held responsible, these governments must be made aware of this requirement so that they can begin planning for such future expenditures. (CED-82-1, Dec. 2, 1981)

Committee jurisdiction:

Senate: *Environment and Public Works*
House: *Public Works and Transportation*

To improve water-related research and development efforts scattered among 28 federal organizations, we recommended that the Congress amend section 406 of the Water Research and Development Act of 1978 to establish a water resources research committee to coordinate water-related research. This committee should be composed of representatives from the major federal organizations involved in water resources research and report directly to the Office of Science and Technology Policy. We also recommended that the Congress amend section 406 to require the committee to coordinate research to

- establish priorities for water conservation and augmentation technologies based upon the results of overall comparative assessments of these technologies;

- provide leadership and guidance to other agencies in developing formal multiagency and single-agency plans for the technologies with specific objectives, milestones, technology transfer goals, and provisions for independent periodic evaluations; and

- make recommendations annually to the Congress concerning the adequacy of the funding levels of water research, development, and technology transfer activities; and consider the data developed pursuant to section 103 of the act in coordinating research and establishing research priorities. (CED-81-87, June 5, 1981)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
Environment and Public Works
House: *Interior and Insular Affairs*
Public Works and Transportation

Millions of dollars in federal construction grant funds could be saved by applying current regulations—which restrict the size of plants and ultimately the cost to construct them—to waste water treatment plants that were planned under old regulations but are not yet built. The Congress should direct the Administrator, Environmental Protection Agency, to modify the agency's current policy prohibiting retroactive applications of program regulations. (CED-82-82, July 8, 1982)

Committee jurisdiction:

Senate: *Environment and Public Works*
House: *Public Works and Transportation*

The Congress should require the Environmental Protection Agency to report annually on (1) how many wastewater treatment plants constructed with federal funds are experiencing serious operations problems, (2) what is being done to repair these facilities, and (3) whether the government or the private sector will pay for the repairs. (CED-81-9, Nov. 14, 1980)

Committee jurisdiction:

Senate: *Environment and Public Works*
House: *Public Works and Transportation*

To prevent unnecessary expenditures associated with constructing secondary waste water treatment facilities, the Congress should amend the Federal Water Pollution Control Act to permit the Administrator of the Environmental Protection Agency to grant waivers, deferrals, or modifications when dischargers to fresh water can demonstrate that the environmental impact of secondary treatment will be minimal or insignificant. (CED-78-76, May 12, 1978)

Committee jurisdiction:

Senate: *Environment and Public Works*
House: *Public Works and Transportation*

The Congress should repeal section 402 of Public Law 96-87, which froze all National Park Service entrance fees at their January 1, 1979, level and prohibited collecting entrance fees at additional units.

The Congress also should amend section 4 of the Land and Water Conservation Fund Act of 1965, as amended, to remove the \$10 limit on the price of a Golden Eagle Passport. (CED-82-84, Aug. 4, 1982)

Committee jurisdiction:

Senate: *Energy and Natural Resources*
House: *Interior and Insular Affairs*

The Congress should not increase the statutory land acquisition appropriation ceiling for the North Cascades National Park and the Ross Lake and Lake Chelan National Recreation Area above the \$4.5 million already approved until the National Park Service has defined compatible and incompatible development, prepared a land acquisition plan justifying the need to acquire land from private owners, and spent the funds obtained from selling all compatible land back to private individuals.

The Congress should also exempt land acquired pursuant to Public Law 90-544 from the 2-year limitation in 16 U.S.C. 4601-22(a). This would give the last owner(s) the right to match the highest bid price and reacquire property sold to the National Park Service. (CED-81-10, Jan. 22, 1981)

Committee jurisdiction:

Senate: *Appropriations*
Energy and Natural Resources
House: *Appropriations*
Interior and Insular Affairs

To reduce potential problems from large possessory interests allowed concessioners managing facilities in national parks, the Congress should finance construction of needed facilities to accommodate park visitors whenever possible. However, because the Congress may not always be able to provide the needed funds to lessen the effect

Transportation

that possessory interests can have on National Park Service management, the Congress should amend the Concessions Policy Act of 1965 to allow possessory interests only in those instances where no other alternative is available.

The Congress should also amend the act to eliminate the right of preference for contract renewal and preferential rights for new and additional services. (CED-80-102, July 31, 1980)

Committee jurisdiction:

Senate: *Appropriations*

Energy and Natural Resources

House: *Appropriations*

Interior and Insular Affairs

The Congress should revise the 1872 Mining Law to authorize the Secretaries of the Interior and Agriculture to permit or prevent development of mineral deposits on public lands. (CED-80-82, July 16, 1980)

Committee jurisdiction:

Senate: *Energy and Natural Resources*

House: *Interior and Insular Affairs*

The Magnuson Fishery Conservation and Management Act (MFCMA) does not indicate whether, or to what extent, the interests of fisheries must give way to marine mammals and whether marine mammals must be considered in fishery management plans. Consequently, the Congress should amend both the MFCMA and the Marine Mammal Protection Act to clarify the extent to which the interests of each law must be considered in fulfilling the objectives of the other. (CED-81-52, May 11, 1981)

Committee jurisdiction:

Senate: *Commerce, Science, and*

Transportation

House: *Merchant Marine and Fisheries*

The Congress should amend the Declaration of Taking Act (40 U.S.C. 258a) to allow landowners a more equitable rate consistent with prevailing conditions. (CED-80-54, May 14, 1980)

Committee jurisdiction:

Senate: *Energy and Natural Resources*

House: *Interior and Insular Affairs*

In considering future revisions to the Airport and Airway Improvement Act of 1982, the Congress may want to require airport owners who constructed airport facilities with the aid of federal funds to provide greater assurances that funds for maintenance will be available and provided, when needed. Such assurances could take the form of the requirement that a trust fund or similar dedicated funding source be established by the owners, or that the owner could be required to obtain a bond or similar guarantee that maintenance will be performed. The Congress also may want to provide financial aid for maintenance at small airports. (CED-82-104, Sept. 13, 1982)

Committee jurisdiction:

Senate: *Commerce, Science, and*
Transportation

House: *Public Works and*
Transportation

If the Congress decides to authorize continued funding of operating costs under the section 18 program of the Urban Mass Transportation Act of 1964, as amended, it should clearly state whether or not it intends that the funding of operating costs should be carried out in a way that precludes substitution. In addition, if the Congress believes that federal funding of project administrative costs should be consistent with the program of grants to urbanized areas, it should amend section 18. Revised legislation should state that all eligible noncapital costs be classified as operating costs and subject to the 50 percent of net operating cost limitation. (CED-82-24, May 28, 1982)

Committee jurisdiction:

Senate: *Banking, Housing, and*
Urban Affairs
Environment and Public
Works

House: *Public Works and*
Transportation

The Congress should retire Amtrak's debt to the federal government with a one-time appropriation. The guarantee authority backing the debt should also be cancelled. As a condition of retirement, the existing security in Amtrak's assets should be continued. (PAD-80-45, Mar. 28, 1980)

Committee jurisdiction:

Senate: *Appropriations*

Commerce, Science, and
Transportation

House: *Appropriations*

Energy and Commerce

Veterans' Benefits and Services

The Congress should amend 38 U.S.C. 3202 to prevent relatives other than spouses, children, and dependent parents from inheriting estates of mentally incompetent veterans. (HRD-82-1, Feb. 10, 1982)

Committee jurisdiction:
Senate: *Veterans' Affairs*
House: *Veterans' Affairs*

To shorten the design and construction process for Veterans Administration (VA) medical facilities, the Congress should amend the definition of construction in 38 U.S.C. 5001(2) to allow VA to extend its Advanced Planning Fund to include final design work. (HRD-82-28, Dec. 30, 1981)

Committee jurisdiction:
Senate: *Veterans' Affairs*
House: *Veterans' Affairs*

Chapter Three

***Financial Benefits and
Other Accomplishments***

GAO's Measurable Dollar Accomplishments

GAO's work often influences the Congress and federal officials to take actions which permit the government to function more efficiently and economically. GAO, however, cannot compel agencies or the Congress to accept the information, opinions, or recommendations it develops; action on our work rests on the persuasiveness of our arguments. Accordingly, agency management and the Congress must be convinced that the analyses behind our reports, testimony, briefings, fact sheets, and other information are sound and that it is in their interests to take action. We believe that agencies' awareness of the Congress' attention to GAO's work stimulates their interest in, and attention to, any improvements suggested. During fiscal year 1983, GAO identified many accomplishments resulting from our work. This chapter summarizes these achievements.

GAO's work results in many different kinds of improvements throughout the federal government. Often, GAO influences the Congress and agencies to take actions which produce measurable financial benefits. Overall, however, GAO's impact on spending matters and improvements in government programs cannot be fully quantified. The total increase in governmental effectiveness from actions taken in response to GAO simply cannot be measured in dollars and cents. In some cases, GAO is responsible for nonmeasurable benefits which are more significant than quantifiable achievements.

When the Congress or an agency takes actions attributable to our work which can be measured in dollars, we record them. In fiscal year 1983, GAO identified \$4.5 billion in measurable financial accomplishments. About \$3.3 billion of this total represent nonrecurring accomplishments with a one-time financial impact. The benefits of the other \$1.2 billion are recurring and will affect future years as well.

GAO is often not alone in advocating a particular action leading to dollar accomplishments. Many of the individual achievements discussed in this chapter involve actions advocated by others as well as GAO.

Measurable dollar accomplishments consist of actual or anticipated financial accomplishments resulting from congressional or federal agencies' actions. In many instances, the anticipated benefits are estimated.

The table on page 48 summarizes the measurable financial accomplishments GAO identified in fiscal year 1983. This chapter also describes specific measurable financial benefits, nonmeasurable financial achievements, and other nonfinancial accomplishments resulting from our work.

Our dollar accomplishments fall into two general categories—budgetary savings and better use of funds. Budgetary savings are produced when actions taken in response to GAO's work result in actual decreases in federal spending or increases in federal revenue for a particular budget function, and appropriation or receipt account, in a specific fiscal year. For example, the Congress deleted \$40 million from the armed services' fiscal year 1983 budgets after GAO identified cost reductions which would result if the Department of Defense consolidated management of base support services. In fiscal year 1983, GAO identified over \$1.7 billion in budgetary savings resulting from our work.

Many of our accomplishments fall into the second category—better use of funds. These are usually estimates of costs that will be avoided because the Congress or agencies implemented needed changes identified during our audit activities. It should be noted, however, that better fund use does not necessarily reduce budgetary outlays or represent budgetary savings since the dollar amounts of the accomplishments relate to future years or may be made available for other, more effective and efficient use by agency management. An example of this kind of accomplishment is the result of our analysis of government plans to review all classified material over 20 years old for possible declassification. GAO pointed out that reviewing all classified materials is unnecessary because much of this material will never be requested by the public. Several agencies have

adopted our recommendation to perform more limited reviews and the annual cost of the declassification program will be reduced by about \$5.3 million. These "costs avoided" will not necessarily reduce agency budgets, but agency management will be able to use these funds for more worthwhile purposes. In fiscal year 1983, we identified over \$2.7 billion in funds which were available for better use as a result of GAO's efforts.

Collections and Increased Revenues

**Measurable Dollar Accomplishments
Attributable to the Work of the General Accounting Office
Fiscal Year 1983
(000 Omitted)**

Department/Agency	Congressional action involved	Agency action involved	Total
Agency for International Development	\$	\$ 13	\$ 13
Air Force	470,820	13,018	483,838
Army	537,100	15,701	552,801
Commerce	1,000		1,000
Defense	246,300	656,621	902,921
Education		1,008	1,008
Energy		96,486	96,486
Environmental Protection Agency	20,000		20,000
Export-Import Bank		97	97
Federal Energy Regulatory Commission		72	72
General Services Administration		5,000	5,000
Health and Human Services	48,200	5,713	53,913
Housing and Urban Development	25,000		25,000
Interior	17,000	1,523	18,523
Internal Revenue Service	12		12
Labor	41,800	18,779	60,579
Marine Corps	62,700	7,400	70,100
Navy	494,500	121,833	66,333
Office of Personnel Management		41,700	41,700
Panama Canal Commission		19,100	19,100
Postal Service		116	116
Small Business Administration		39	39
Transportation		161,940	161,940
U.S. Information Agency		620	620
Veterans Administration	3,400		3,400
Government-wide	1,300,000	30,898	1,330,898
TOTAL	\$3,267,832	\$1,197,677	\$4,465,509

Some of GAO's activities result in the return or recovery of expended federal funds. This often involves identifying erroneous payments or allowances made by the federal government. These funds are returned to the U.S. Treasury or the appropriate agency. GAO's work also can increase the income of federal programs which create revenues. These funds can be used to fund general government operations or to offset specific program expenses. GAO's major 1983 accomplishments in this category are discussed below.

Description of Accomplishments

In a series of reports, GAO made numerous recommendations to strengthen federal government debt collections. The Congress and the Office of Management and Budget (OMB) acted to implement many of these recommendations, and OMB reported that nontax debt collection increased by \$3.1 billion in fiscal year 1982. This amount was arrived at through a formula developed by OMB and is based on agency collection reports. OMB's estimate may be affected by numerous variables which influence collections, such as the reliability of agency collection reports and associated costs of collection. OMB offset \$1.3 billion of these collections against agencies' budget requests.

Estimated benefits . . . \$1,300.0 million

From 1979 to 1982, the U.S. Treasury paid a number of claims against the Panama Canal Commission. GAO reviewed these claims and determined that they should have been paid out of nonappropriated Commission funds. In 1983, the Commission reimbursed the Treasury for the claims payments.

Estimated benefits . . . \$19.1 million

Terminations of Programs or Activities

For over 25 years, the Air Force had contracted with a private firm for several services at a test range. GAO reviewed this contract and determined that the Air Force had overpaid for contractor-provided employee pensions. As a result of GAO's report and discussions with Air Force and contractor officials, the contractor developed a repayment proposal. The Defense Contract Audit Agency audited this proposal, increased the reimbursement amount and, in 1983, the contractor fully reimbursed the Air Force. **Estimated benefits . . . \$4.1 million**

In 1980, the Department of Energy (DOE) and the New York State Energy Research and Development Authority signed a cooperative nuclear waste disposal agreement. In a congressional briefing, GAO pointed out that the fee the State of New York agreed to pay to the Department to permanently manage waste storage was unreasonably low. Following congressional hearings on this subject, Energy and New York amended their agreement and increased the fee the state will pay the department for waste disposal. **Estimated benefits . . . \$23.6 million**

GAO's work often raises questions concerning the cost effectiveness of programs or activities. This work can lead to the termination of programs by the Congress or responsible agencies. During fiscal year 1983, GAO identified 10 federal programs or activities which were terminated as a result of GAO's reviews. These terminations are described below.

Description of Accomplishments

In 1982, GAO reported to the Secretary of Defense that the Army's Viper Light Antitank Weapon did not meet current requirements and had unresolved technical problems while its cost had risen significantly. GAO recommended that the Army not produce the Viper and develop an improved version or evaluate foreign alternatives. In the fiscal year 1983 Defense authorization bill, the Congress reduced Viper funding and directed DOD to evaluate foreign alternatives.

Estimated benefits . . . \$103.0 million

GAO's review of the Marine Corps' manpower and military pay management system found that the Marine Corps had been operating redundant manual and automated systems since 1973. GAO pointed this out to Marine Corps officials, and, in 1983, the redundant manual system was eliminated.

Estimated benefits . . . \$7.4 million

In 1979, the Secretaries of Transportation and Interior entered into an agreement with the State of Florida and Dade County, Florida, to acquire land for a commercial airport and construct a training airport in south Florida. The land acquisition and airport construction, to occur at an unspecified time in the future, would be fully financed with federal funds. GAO reviewed the conditions of the pact, which was to expire in 1983, and determined that the proposed training airport was no longer needed. GAO's report recommended that the agreement not be extended and, in

1983, the Secretary of Transportation decided not to extend the pact. **Estimated benefits . . . \$161.9 million**

In a series of briefings, GAO identified several problems with the Low-Altitude Aircraft Attack System being jointly developed¹ by the United States and the United Kingdom. These problems included cost growth, schedule slippage, and technical uncertainties. In fiscal year 1981, the Congress approved only termination funding for the attack system and directed DOD to end U.S. involvement in the program. **Estimated benefits . . . \$48.9 million**

In a 1981 report and a series of briefings, GAO concluded that the Air Force's SEEK-TALK tactical radio program should be redirected. GAO recommended deletion of requested SEEK-TALK development and production funding. The Congress subsequently reduced the Air Force's fiscal year 1983 budget request for the tactical radio program. **Estimated benefits . . . \$104.2 million**

The Navy's fiscal year 1982 budget request included funds for military contingency hospitals, which would be used in the event of war. GAO reviewed this proposal and informed the Congress that the Navy's program was significantly more expensive than a similar Air Force program and appeared unlikely to be ready when needed. The Congress deleted all contingency hospital funding from the Navy's 1982 budget and directed the Navy to revise its program. **Estimated benefits . . . \$62.6 million**

GAO's review of the Air Force's Antiair Cluster Munition Program identified a number of serious shortcomings. During GAO's review, the Air Force recognized the program's problems and issued a "stop work" order and directed additional testing of the system before production. GAO reported on the system's shortcomings and status. As a result of this information, the Congress denied the Air Force's fiscal year 1983 budget

Reduced Government Payments to Employees and Program Beneficiaries

request for the munitions systems and directed the Air Force to terminate the program.

Estimated benefits ... \$64.4 million

GAO reported that the Department of Energy's high-energy physics research program was overemphasizing the development and construction of new particle accelerators, machines used for this type of research. GAO attributed this overemphasis to inadequate planning and recommended that Energy develop a series of plans for the research program. In response, the research department initiated a planning program and, in 1982, issued a planning report which concluded that the proposed construction of a new accelerator was not feasible because of funding limitations. In 1983, a department advisory panel recommended that this facility not be constructed, and Energy terminated the project.

Estimated benefits ... \$72.7 million

In a 1982 report, GAO recommended that the Air Force suspend development of the Common Strategic Rotary Launcher and reassess the program's need, cost effectiveness, and management. Based on this recommendation, the Congress deleted all fiscal year 1983 production funding for the launcher.

Estimated benefits ... \$22.4 million

In a 1983 report, GAO pointed out that the Air Force had encountered delays in plans to close unneeded Caribbean test facilities. To eliminate the unnecessary costs of operating these bases, GAO recommended that the Secretary of Defense promptly close these facilities. The Air Force subsequently informed the Governor of the island on which one base is located that the United States will not renew the base's lease in 1984.

Estimated benefits \$4.5 million

Compensation of federal employees and payments to beneficiaries of financial assistance programs constitute a significant portion of federal expenditures. Below are descriptions of major reductions in federal compensation and payments GAO identified in fiscal year 1983.

Description of Accomplishments

The Army's Selected Reserve Incentive Program provides enlistment and reenlistment bonuses for individuals who have critical skills or are in high-priority units. GAO reported that, in fiscal year 1981, one-third of the Army National Guard and Reserve bonuses were awarded to individuals who did not meet the criteria. GAO recommended more stringent application of the bonus eligibility criteria. To stimulate action on this recommendation, the Congress reduced the Army's fiscal year 1983 budget request for National Guard and Reserve personnel expenses.

Estimated benefits ... \$14.2 million

When federal functions are transferred to private contractors, displaced federal employees are often hired by these contractors. According to Office of Personnel Management (OPM) regulations, these employees are generally not entitled to government severance payments. GAO reported that many agencies did not have internal controls to determine which former employees accepted contractor job offers. This situation could result in millions of dollars of improper severance payments. To prevent this, OPM adopted GAO's recommendation to reemphasize the need to enforce the severance pay restriction. In addition, OPM and the Office of Management and Budget now require contractors to provide agencies with the names of separated employees who are offered jobs.

Estimated benefits ... \$41.7 million

The Department of Defense had proposed an 8-percent pay raise in fiscal year 1982 for military personnel. When the Congress limited pay increases to 4 percent, GAO pointed out that military personnel receiving variable housing allowances would automatically receive allowance increases greater than 4 percent. This would significantly reduce the savings anticipated from the pay cap. In response to this information, the Congress enacted a ceiling for fiscal year 1982 housing allowances.

Estimated benefits ... \$137.0 million

DOD's Civilian Health and Medical Program pays health costs for spouses and dependents of military personnel when these expenses are not covered by other insurance plans. Despite this, dependents of active duty personnel were not required to report other insurance benefits to DOD. GAO recommended that the Congress enact legislation prohibiting DOD payment of health costs when dependents are covered under certain insurance plans. Public Law 97-377, enacted December 21, 1982, prohibits DOD payment of costs covered by all other insurance plans. This action will significantly reduce DOD's medical payments.

Estimated benefits ... \$66.9 million

The Navy's policy on transferring enlisted personnel prohibits transfers unless the service member has enough obligated service to complete the required tour of duty, reenlists, or promises to reenlist. GAO reported that because the Navy does not always comply with this policy, it incurs unnecessary transfer costs. The Congress reduced the Navy's fiscal year 1983 budget request for personnel transfers to encourage corrective action by the Navy.

Estimated benefits \$6.0 million

Other Cost Reductions

In many National Guard and Reserve units, the Army assigns active duty personnel to provide support services. GAO informed the Congress that the Army was assigning those active duty personnel to positions already held by members of the Reserves and National Guard. This created instances where two Army personnel were occupying the same position. As a result of this information, the Army agreed to eliminate this "double-slotting," and to encourage corrective action, the Congress reduced the Army's fiscal year 1983 appropriations for Reserve and National Guard personnel expenses.

Estimated benefits \$5.0 million

GAO reported that certain Medicare payments to Group Practice Plans were not consistent with the Social Security Act or Department of Health and Human Services regulations. GAO recommended that these payments be terminated and, in 1982, the department issued regulations eliminating these payments.

Estimated benefits \$3.9 million

In some cases, disabled workers are eligible to receive both state workers' compensation and Social Security disability benefits. To prevent overpayments, the combined benefits can be reduced by either the Social Security Administration or the state, but not by both.

If a state reduces its benefits—as 11 states now do—Social Security benefits cannot be reduced. In a 1980 report, GAO recommended that the Congress amend the act to prohibit states from reducing their payments. The Congress subsequently amended the Social Security Act to prohibit any additional states from exercising this option. The Congress also amended the act, as GAO recommended, to require that disability payment reductions to prevent overpayment become effective as soon as workers begin to receive benefits. Both actions should significantly decrease annual program costs.

Estimated benefits . . . \$48.2 million

GAO's evaluations identify many other ways to change operations so that costs are reduced, but program effectiveness is maintained. When these changes are implemented, funds are not expended that otherwise would have been. Below are descriptions of the major GAO-influenced cost reductions identified this year.

Description of Accomplishments

GAO's review of DOD's procedure for processing personnel security clearances revealed that processing delays were resulting in significant productivity losses. In 1981, DOD background investigations took 220 days to process, and national agency checks required 103 days. To correct this problem, the Defense Investigative Service had proposed hiring additional investigators. GAO's report, in 1982, made a similar recommendation. In 1982, DOD hired additional investigators and, in 1983, the department informed GAO that processing times for investigations had been significantly reduced. Faster processing has significantly increased the productivity of newly hired DOD employees. Based on industry estimates, hiring more investigators has reduced the costs resulting from productivity losses even after additional personnel costs are considered.

Estimated benefits . . . \$597.5 million

In 1980, the Congress passed GAO-recommended legislation requiring the Department of Housing and Urban Development (HUD) to collect Federal Housing Administration mortgage insurance premiums monthly instead of annually. HUD implemented this legislation and, in 1982, the department collected an additional \$250 million in outstanding premiums, reducing HUD's need to borrow funds and incur interest expenses.

Estimated benefits . . . \$25.0 million

GAO reported that the Department of Defense's Foreign Military Sales Program was not adhering to the Arms Export Control Act of 1976, which requires that foreign customers be charged the full costs of articles and services sold. The Congress reduced Defense's fiscal year 1983 appropriation for this program and directed Defense to include all direct and indirect costs in future foreign military sales prices.

Estimated benefits . . . \$85.0 million

As requested, GAO reviewed the Veterans Administration's (VA) justification for seven nursing home construction projects. In briefings and a subsequent report, GAO pointed out concerns originally raised within VA about the need for one of the nursing homes. GAO suggested substituting less costly contract nursing care for the questionable project. The Congress adopted this suggestion and deleted the construction project from VA's fiscal year 1984 budget.

Estimated benefits \$3.4 million

Repair and maintenance of Army equipment is governed by a series of service-wide technical standards for each piece of equipment. During the course of its audit work, GAO found that one Army base was performing more inspection and repair work on M60 tanks than technical standards require. As a result, maintenance costs per vehicle were unnecessarily high. GAO pointed this out to Army officials, who revised the base's tank maintenance program to meet service-wide standards.

Estimated benefits \$9.4 million

GAO found that the Department of Labor needed to take action to reduce cash balances maintained by, and collect debts from, program sponsors and grantees in the Comprehensive Employment and Training Act (CETA) program. As a result of GAO's recommendations and actions by Labor's Inspector General, the department significantly reduced interest costs by accelerating the recovery of CETA cash outlays in fiscal year 1982.

Estimated benefits . . . \$18.6 million

As requested, GAO reviewed the justifications for the Army, Navy, Air Force, and Marine Corps fiscal year 1983 appropriation requests for conventional ammunition. GAO found that some inventory levels would have exceeded requirements, several procurements were premature because of production and performance problems, and some cost estimates were overstated. As GAO recommended, the Congress made a number of line-item reductions for each service and reprogrammed other funds.

Estimated benefits ... \$540.7 million

In congressional testimony, GAO discussed the limited accomplishments of the Environmental Protection Agency's (EPA) "Superfund" hazardous waste program. GAO pointed out that Superfund spending lagged far behind appropriated spending levels and that implementation problems were not caused by lack of funds. For fiscal year 1983, the Congress reduced EPA's appropriation request for Superfund activities.

Estimated benefits ... \$20.0 million

GAO's analysis of the Navy's fiscal year 1983 ship maintenance and modernization program identified eight ship overhauls which were behind schedule. GAO concluded that the Navy would not be able to meet its 1983 ship overhaul goals and, as a result, the Congress reduced the Navy's fiscal year 1983 budget request for this program.

Estimated benefits ... \$50.0 million

The Department of Defense's commissaries are financed by both appropriated funds and sales receipts. GAO reported that the Air Force, Army, and Marine Corps were using appropriations for certain commissary operating expenses which must be financed by commissary revenues. As a result, the Congress reduced Defense's fiscal year 1983 appropriations for commissary operations and maintenance to ensure that these expenses are financed by commissary receipts.

Estimated benefits ... \$20.3 million

The Office of Management and Budget (OMB) had directed executive agencies to systematically review all classified material over 20 years old for possible declassification. These reviews were to be completed by December 1, 1988. GAO reported that this declassification program would cost about \$88 million, but many of the records would never be requested by the public. GAO recommended that declassification reviews be limited to records actually requested or records the National Archives and Records Service anticipates will be requested. OMB agreed with GAO's recommendation, and Executive Order 12356, issued in 1982, allows agencies to individually determine which records to review for possible declassification. Several agencies have adopted GAO's recommended review policy.

Estimated benefits ... \$5.4 million

GAO provided information to the Congress which questioned the Navy's need for fleet oiler and salvage ships it was planning to construct. Based on this information, the Congress reduced fiscal year 1983 funding for both programs and directed the Navy to reduce its fiscal year 1984 budget request for salvage ship construction.

Estimated benefits ... \$307.5 million

As part of its plan to construct a new Naval Regional Medical Center, the Navy intended to "mothball" the current medical center building. GAO pointed out that the Navy could use the vacant building for several support activities, thus eliminating additional construction needs. The Navy decided to use the old medical building for enlisted personnel housing instead of building new housing.

Estimated benefits ... \$12.0 million

As requested, GAO performed an overall review of the Department of Labor's Work Incentive Program which revealed that the program's accomplishments were significantly overstated. GAO's information was cited as an important input to the Congress' decision to reduce Labor's fiscal year 1982 supplemental appropriation request for the program.

Estimated benefits ... \$41.8 million

GAO's report on the effectiveness of the Navy's Harrier II aircraft recommended that the Navy review its planned purchase of trainer aircraft and consider developing an alternative, more cost-effective trainer. After conducting this review, the Commandant of the Marine Corps decided to develop an alternative trainer which will reduce Harrier II production costs by \$412 million over the 15-year life of the production program.

Estimated benefits ... \$27.5 million

In the past several years, GAO has testified and reported on the need for the General Services Administration to make greater use of competitive procurement procedures in awarding contracts. GSA agreed and immediately took action to convert a number of contracts to competitive awards. As a result, these contract prices were reduced.

Estimated benefits ... \$5.0 million

In a series of fact sheets provided to the Congress, GAO pointed out that the Air Force's planned fiscal year 1983 procurement of Air Launched Cruise Missiles exceeded its ability to integrate these missiles with the B-52 aircraft, which will deliver them. GAO suggested three alternative schedules for cruise missile production. The Congress adopted one of these options and reduced the Air Force's fiscal year 1983 cruise missile budget request accordingly.

Estimated benefits ... \$116.3 million

Miscellaneous Dollar Accomplishments

The Bureau of Reclamation, Department of Interior, finances construction of irrigation water projects. The Reclamation Act, however, requires state and local governments to repay their share of construction costs. GAO informed the Congress that the act did not require interest payments on construction costs. Because construction costs, interest rates, and repayment periods have increased, GAO suggested language to amend the act and offered a proposal on how interest should be calculated. GAO's proposals were substantially included in the Reclamation Reform Act of 1982.

Estimated benefits ... \$17.0 million

As requested, GAO reviewed the Navy's Maritime Prepositioning Ship Program and provided information to the Congress showing that the Navy did not currently require all the landing craft it was planning to procure in fiscal year 1983. The Congress approved one of the two alternative procurement schedules suggested by GAO and reduced Navy funding for 1983.

Estimated benefits ... \$10.6 million

GAO reported that the Army had purchased, or was planning to purchase, calibration and support equipment it did not need. The Army agreed with GAO's assessment, reduced equipment orders and distributed, or sold, excess equipment in its inventory.

Estimated benefits \$3.7 million

The Navy has been buying material-handling equipment that can increase productivity in operations requiring the physical handling of materials. GAO's 1982 *Annual Report* discussed the first year of the Navy's 5-year program to increase material-handling equipment utilization rates and redistribute/dispose of excess equipment.

This program, initiated as a result of a GAO report, resulted in additional cost reductions in 1983.

Estimated benefits ... \$12.5 million

GAO's review of the Army's Division Air Defense Program revealed that the program's proposed fiscal year 1983 budget contained an excessive amount of contingency funding for management reserves. GAO questioned the need for these funds, and the Congress reduced the Army's 1983 funding for the program.

Estimated benefits ... \$50.0 million

During a review of agencies' procedures to recover unused portions of federal grants to states, GAO found that several states had not refunded money owed to various agencies. These funds were subsequently returned to the appropriate sponsoring agencies.

Estimated benefits ... \$23.5 million

GAO testified that the Department of Defense could substantially reduce operating costs by consolidating management of base support services in several geographic areas. To encourage the consolidation of base support activities, the Congress reduced the Army and Navy fiscal year 1983 budget requests for base operations.

Estimated benefits ... \$40.0 million

As part of a review of the Navy's Aircraft Modification Program, GAO identified several planned fiscal year 1983 modification projects which were behind schedule. GAO reported this to the Congress, and the Congress reduced the Navy's fiscal year 1983 appropriation for the modification program.

Estimated benefits ... \$95.0 million

In addition to the relatively large dollar accomplishments already discussed, GAO's efforts led to many other financial achievements, which are summarized in this section. This section includes measurable dollar benefits of less than \$3 million and represents a wide variety of accomplishments, including both budgetary savings and better use of funds. In fiscal year 1983, these accomplishments totaled \$26.5 million. Because of their diversity and relatively small dollar values, all of these accomplishments are not described. Instead, several examples are provided.

Description of Accomplishments

The National Library of Medicine provides a number of informational products and services to the public through its Medical Literature Analysis and Retrieval System. By law, the library is required to recover 100 percent of the system's costs through user charges. GAO found that only 95 percent of the costs were being recovered because the library's users charges did not include certain costs. In 1982, access charges were increased to fully recover all system costs.

Estimated benefits \$2 million

As requested, GAO reviewed the Navy's plans to preposition medical facilities to support the Marine Corps' Rapid Deployment Force. GAO questioned the suitability of the ship the Navy was planning to use for this program. The Congress denied the Navy's request to reprogram fiscal year 1982 funds to support the prepositioning program.

Estimated benefits \$2.9 million

During a review of the Navy's torpedo maintenance program, GAO identified a planned maintenance shop expansion to accommodate a proposed consolidation of several maintenance facilities. Although this consolidation was never fully implemented, the Navy's fiscal year 1983 budget request still included funds for the shop expansion. GAO informed the Congress of this situation, and this funding was deleted from the Navy's budget requests.

Estimated benefits \$1.0 million

Additional Dollar Accomplishments Not Fully or Readily Measurable

When federal agencies are unsuccessful in obtaining full payment of money or property owed to them, they can refer these debts to GAO for litigation. In fiscal year 1983, GAO successfully collected a number of these previously uncollectible debts.

Estimated benefits \$2.1 million

Personal property is sometimes voluntarily abandoned, or seized by federal agents, at U.S. ports of entry. GAO determined that the U.S. Fish and Wildlife Service had not taken steps to dispose of the property in its possession. GAO recommended that the Service implement regulations and guidelines to dispose of these items. The Service issued new regulations and subsequently held a public sale of selected seized or forfeited items. Net proceeds from the sale were deposited in the U.S. Treasury.

Estimated benefits \$2 million

As requested, GAO reviewed the National Oceanic and Atmospheric Administration's plan to relocate its Research Facilities Center. GAO reported that this plan was deficient in several areas, and local relocation sites had not been fully considered. The Congress subsequently disapproved the administration's request to reprogram funds for relocation expenses.

Estimated benefits \$1.0 million

GAO reported that transportation costs at DOD dependent schools were excessive because alternative busing services had not been fully analyzed. To lower costs, GAO recommended that DOD perform transportation cost analyses and make greater use of competitive and multiyear contracts. To encourage DOD to take these actions, the Congress reduced the department's fiscal year 1983 budget request for transportation services.

Estimated benefits \$2.0 million

In 1981, GAO reported that the Air Force had failed to adequately protect and maintain personal property at several communications sites. This problem, plus delays in disposing of the sites, had jeopardized public safety and allowed millions of dollars of property to be lost or destroyed. Acting on GAO's recommendations, the Air Force has recovered and returned thousands of items to the Air Force supply system and made substantial progress in removing hazardous materials from the communication sites.

Estimated benefits \$1.3 million

In 1977, the Voice of America (VOA) began using satellite circuits to transmit programs overseas. Although the use of satellites proved reliable, VOA did not eliminate its backup shortwave transmission system. GAO pointed this out in a report to the Director of the U.S. Information Agency and, in 1982, VOA eliminated the redundant shortwave transmission.

Estimated benefits \$6 million

Much of GAO's work results in changes which improve the efficiency of program operation or help achieve the results for which a program or activity was designed. Although this work produces financial benefits, these accomplishments cannot always be measured. The following section presents examples of financial accomplishments which are not readily measurable.

Action Taken To Eliminate Improper Energy Tax Credit Claims

In a 1982 report to the Commissioner of Internal Revenue, GAO pointed out that taxpayers were apparently claiming improper geothermal energy income tax credits. Specifically, taxpayers residing in states without geothermal resources, or with resources at depths too great to be economically useful, were nonetheless claiming geothermal tax credits. GAO estimated that millions in improper claims were allowed between 1978 to 1980. Accordingly, GAO recommended that the Internal Revenue Service (IRS) determine the full extent of the problem and take corrective action.

In response to GAO's report, IRS analyzed available data and decided that prompt corrective action was necessary. In 1983, IRS issued an information notice to technical personnel and managers in districts and service centers alerting them to the possibility of improper claims and to the rigorous requirements that have to be met for allowing a claim. In addition to this action, IRS is considering revising the instructions on the energy credit claim form to provide taxpayers with a better definition of geothermal resources.

Improved Management of Government Material Furnished to Defense Contractors

In 1981 and 1982, GAO reported that the Navy does not have financial or other management systems to account for the billions of dollars of government-furnished materials (GFM) it provides to contractors. In addition, millions of dollars are spent each year to repair or replace materials found to be defective after contractors receive them. Again, the Navy does not know

how much is spent to replace or repair GFM because the reporting systems established to identify these costs are not working.

To improve the management of GFM, GAO recommended that the Navy

- develop a system to maintain overall financial and logistical data that will identify the nature and magnitude of inventory accountability and defective material problems
- ensure that GFM redistribution is timely and economical,
- bring deficiency reporting systems into agreement with existing Department of Defense directives and the Defense Acquisition Regulations, and
- use the data developed by the systems to pinpoint vendor accountability.

On the basis of GAO's work, the Navy developed and implemented a system to provide management oversight of the problems associated with GFM. The system will identify the magnitude and causes of the problems and provide the information necessary for corrective actions.

Improper Unemployment Payments to Former Federal Employees Eliminated

GAO reported that many former federal employees were receiving improper unemployment compensation from several states and the District of Columbia. These individuals were not entitled to unemployment payments because they received severance pay, refused job offers, voluntarily resigned their jobs, were fired for misconduct, or had retired and were receiving an annuity. In most cases, the payments were allowed because federal agencies had not provided enough information to states and the District to show that these applicants were ineligible for unemployment compensation.

GAO recommended that the Secretary of Labor alert agencies of the need to provide unemployment offices with accurate, complete, and timely wage and separation information that would affect decisions on unemployment eligibility. In March 1983, the Assistant

Secretary of Labor issued a memorandum to all agencies stressing the need to control unemployment payments and pointing out how they can reduce these costs by following the recommendations in the GAO report.

Energy Efficient Heating Equipment Required in Military Housing

In a September 1981 report on energy efficiency in government housing, GAO recommended that the Secretary of Defense continue and expand energy conservation efforts by requiring installation of energy-efficient and cost-effective heating and cooling equipment. In November 1982, DOD changed its family housing criteria to require the installation of high-energy efficient equipment and the selection of the lowest cost source of heat.

Cost of Transporting Federal Prisoners Reduced

In a 1982 report, GAO pointed out that the U.S. Marshals Service had improved the economy and efficiency of prisoner transportation but had not used its prisoner transportation system to its full potential because of management shortcomings. The Service had not (1) implemented a prisoner movement priority system, (2) gathered specific deadline information for movements, and (3) directed trip coordinators to evaluate proposed movements for cost effectiveness. As a result, an excessive number of prisoners were being flown on more expensive commercial flights instead of other, cheaper modes of transportation.

The Justice Department responded that it fully supported GAO's recommendations and has taken specific actions to accomplish the intent of the recommendations. The Marshals Service has instituted a prisoner movement priority system, now doublechecks each prisoner deadline date that appears to require a commercial flight, and uses a centralized ticketing system to secure the least expensive commercial airline fare when a commercial flight is necessary.

U.S. Synthetic Fuels Corporation Procurement Procedures Improved

In a 1982 report to the Chairman of the United States Synthetic Fuels Corporation and in earlier meetings with corporation officials, GAO identified a need to improve documentation and control over corporation contracting. The report included examples of poor contract documentation, failure to justify the need for contract services acquired, and lack of centralized administrative control over contracts. GAO recommended that guidelines be issued to the corporation's program offices defining roles and responsibilities for the issuance and administration of contracts.

In response to GAO's report, the corporation established a Contracts Office to ensure that new procurement requirements are properly and efficiently handled. A procurement manual has also been developed which prescribes policies and procedures for the procurement of supplies and services by the corporation.

Reduced Cleaning Costs in General Services Administration Buildings

In 1981, GAO reported that the General Services Administration (GSA) was spending several million dollars more per year than necessary to clean government office buildings. In four regions, GSA's cleaning costs were 50 percent higher than comparable contractor-provided services because of GSA employees' higher wages and lower productivity. GAO noted that GSA was slowly converting to contract cleaning, but full conversion would take about 15 years, and GSA might spend about \$250 million more than necessary. To reduce those costs, GAO recommended that GSA make comparative studies to determine whether cleaning should be provided by its own staff or by contract personnel and then should implement the results.

In response to GAO's report, the Administrator of General Services initiated prompt corrective action. GSA decided to utilize contract cleaning without formal cost comparisons in buildings where cleaning costs are

under \$100,000 per year (as allowed by federal policy). As of October 1982, cleaning for 158 of 276 such buildings was contracted out.

Duplicative Computer-Mapping Activities Eliminated

GAO's review of federal computer-mapping programs identified areas of duplication in the computer-mapping activities of several federal agencies. To correct these problems, GAO recommended that the Director, Office of Management and Budget (OMB), issue a directive to require interagency coordination of computer-mapping activities and prevent the establishment of duplicative programs. GAO specified that the directive should create a rulemaking body to establish uniform standards for federal computer-mapping so that agencies could exchange data and the needs of map users could be met at reasonable cost. GAO also recommended that the Secretary of the Interior direct the U.S. Geological Survey to accelerate the production of computerized maps needed by federal agencies. The accelerated production will help to establish a government-wide data base and reduce duplication.

Both OMB and the Department of the Interior have taken actions on GAO's recommendations. In 1983, OMB established a government-wide Interagency Coordinating Committee on Digital Cartography, to be chaired by the Department of the Interior. The committee is charged with improving coordination and preventing further duplication among federal computer-mapping programs, in part by setting standards and establishing priorities for federal computer-mapping. In addition, the Secretary of the Interior is accelerating the production of digital cartographic data to meet the highest priorities of federal agencies. This action, taken in conjunction with the activities of the new coordinating committee, should prevent the spread of duplicative federal computer-mapping activities.

Improved Identification and Monitoring of Agency for International Development Projects

In a 1983 report, GAO recommended that the Agency for International Development (AID) develop criteria for categorizing its project portfolio and identifying potential problem projects. In response to GAO's report, AID stated that uniform criteria have been developed and will be refined with experience. Application of the criteria could result in further deobligations of problem projects.

GAO also recommended that AID establish common agencywide procedures for applying the criteria and reporting results. In response, the agency's Administrator has asked the regional bureaus to apply the criteria to their projects and identify projects which they believe are potential candidates for deobligation. The Asia Bureau has already developed a list of potential candidates. The Administrator will review these projects with the bureaus to decide whether deobligation or some other corrective action would be appropriate.

In addition, the agency recently distributed OMB's report to 60 overseas mission directors in efforts to improve project portfolio administration and management.

Legislation Encourages Interagency Sharing of Medical Resources

In a report to the Congress, GAO identified numerous opportunities to increase interagency medical resource sharing. Obstacles which prevented or discouraged local federal officials from completing satisfactory interagency sharing arrangements included

- the absence of a specific legislative mandate for interagency sharing and a lack of adequate headquarters guidance on how to share,
- restrictive agency regulations, policies, and procedures, and
- inconsistent and unequal reimbursement methods.

GAO concluded that eliminating legislative and administrative obstacles and implementing a structured federal inter-agency sharing program would benefit both the federal government and its health care beneficiaries. The report also contained legislative recommendations to encourage sharing and remove the obstacles.

GAO subsequently testified in support of legislation based on the report's recommendations. In 1982, the Veterans Administration (VA) and the Department of Defense (DOD), Health Resources Sharing and Emergency Operations Act established the VA/DOD Health Care Resource Sharing Committee. The act directed the Committee to evaluate opportunities for interagency sharing of health resources and identify needed changes to policies and procedures for such sharing. These procedures will provide for agency cooperative sharing arrangements, referrals of beneficiaries for medical care, and cost negotiation and reimbursement.

The total potential savings which would result from coordinated planning and sharing of federal medical resources is difficult to estimate. GAO testified that, if a legislatively mandated and fully operational interagency sharing program is achieved, federal direct health costs (over \$10 billion annually) could be reduced by as much as 1 percent.

Other Benefits

Some actions taken in response to GAO's work result in accomplishments other than financial benefits. If the Congress enacts recommended legislation, or if new agency regulations or procedures are adopted, day-to-day operations at federal, state, or local levels can be improved. Sometimes the actions directly enhance the well-being of individual citizens. The following GAO-prompted actions are examples of this type of accomplishment.

Improved Security for Grand Jury Information

In a 1980 report to the Congress, GAO pointed out that the grand jury was one of the government's most effective tools to combat organized crime, drug trafficking, and white-collar crime. Effective prosecution of these crimes depends largely on keeping grand jury proceedings secret to encourage witnesses to testify and produce evidence and keep persons under investigation from interfering with the grand jury. However, in hundreds of instances, information about grand jury proceedings had been disclosed in the news media, public court files, and public court proceedings. GAO found that witnesses had their identities revealed before indictments were returned (some were murdered, intimidated, or disappeared), investigations were dropped or delayed, and reputations of individuals never indicted were damaged.

GAO concluded that the disclosures were caused by confusion over what material should be kept secret and by poor security practices, and offered recommendations to correct these problems. In response to GAO's recommendations, the Department of Justice, which conducts grand jury proceedings and controls grand jury information, issued an order on "Safeguarding Grand Jury Information." In addition, Justice has established a compliance program whereby its security staff checks security arrangements at department offices as well as at contract court reporting firms. These actions accomplished the basic intent of GAO's recommendations.

Female Veterans Gain Greater Access to Veterans Administration Medical Care

In a 1982 report, GAO pointed out that women, including those with service-connected disabilities, could not obtain some specialized medical care because of the lack of privacy at older Veterans Administration (VA) facilities. GAO recommended that VA

- improve female veterans' access to outpatient gynecological care and other care not available at VA facilities,
- revise privacy standards and ensure that future construction projects correct privacy limitations preventing female access to VA facilities,
- identify treatment programs that cannot accept women patients and develop alternative ways to provide care, and
- estimate the number of female veterans expected to seek care from VA.

In response to GAO's report, VA directed each of its 172 medical centers to prepare written plans for providing medical care to female veterans. In 1982, 171 plans were completed.

In addition, VA (1) signed agreements with eight Department of Defense hospitals to provide medical services for female veterans, (2) identified physical barriers in each VA medical center limiting women's access (corrective action is being planned), and (3) established an advisory committee on female veterans.

Better Inspections of Poultry Slaughter Plants

GAO reported to the Congress that 16 of 62 randomly selected meat and poultry slaughter plants were rated as not acceptably complying with one or more federal inspection program requirements. To better assure that meat and poultry plants produce only wholesome and unadulterated products, GAO recommended that the Secretary of Agriculture

- strengthen the Department of Agriculture's enforcement of sanitation requirements,

- establish a system of financial disincentives to encourage plant managers to operate and maintain sanitary plants,
- initiate a special one-time effort to identify and correct water system deficiencies and take action to prevent recurrences,
- revise procedures governing quality acceptance testing programs and require that the department's inspection staff follow them,
- improve inspection of edible and inedible meat and poultry products, and
- take several actions to assure more effective monitoring of meat and poultry inspection activities.

The department agreed with virtually all the recommendations and has acted to improve inspections of meat and poultry slaughter plants. The department has (1) issued instructions on sanitation requirements and guidance to operators and owners of meat and poultry plants to help them establish voluntary quality control programs, (2) developed a new plant review form for inspectors, which includes specific, objective review criteria and a revised rating system, (3) reviewed water systems at 386 plants to appraise management of problems and corrective actions necessary, and (4) strengthened the department's quality acceptance testing programs.

Honorably Discharged Military Personnel Now Eligible for Unemployment Insurance Compensation

In a January 1982 report distributed to key congressional oversight committee chairmen, GAO concluded that section 2405 of the Omnibus Budget Reconciliation Act of 1981 treated individuals who completed their enlistment contract, but decided not to reenlist, unfairly. In practice, this provision denied unemployment insurance compensation to military personnel who perform well in the service, are eligible to reenlist, but decide not to pursue a military career. Conversely, it rewarded

poor performers not eligible to reenlist by making them eligible for unemployment insurance. In 1982, the Congress enacted legislation restoring unemployment insurance eligibility to military personnel who serve honorably and complete their agreed terms of service.

Legislation Will Establish Minimum Criteria for Elderly and Handicapped Transportation Services

GAO reviewed the status of efforts to meet the transportation needs of the elderly and handicapped by surveying how 84 transit systems accommodate the transportation needs of these people. GAO provided information on systems which had decided to provide alternative service, systems continuing to make their regular service accessible, and details on the characteristics of the services available. GAO also pointed out that the Urban Mass Transportation Administration was allowing local communities to decide how to meet the transportation needs of elderly and handicapped persons and was not monitoring how grantees met these needs.

GAO's report was cited as support for a congressional amendment to provide fair and equitable treatment of handicapped and elderly persons in mass transit. As a result, the Surface Transportation Assistance Act of 1982, enacted in 1983, requires the Department of Transportation to establish national minimum criteria for handicapped and elderly transportation services and monitor transit system compliance with the new criteria.

Chicago Housing Authority Procurement Management Strengthened

In 1980, GAO reported that the Chicago Housing Authority, which receives most of its operating budget from the Department of Housing and Urban Development, needed stronger management and control over procurements. The report cited several examples:

- Controls designed to ensure free and open competition for large purchases were not effective.

- The authority lacked the necessary information to manage procurement and detect abuses.
- The authority could only estimate total purchases.
- It did not know where or how it was spending procurement funds.

GAO also pointed out that HUD was not providing sufficient management review of the authority's operations. The report recommended that the Department of Housing and Urban Development require audits and regular monitoring of financially distressed housing authorities before approving any payments in excess of those allowed under its normal funding guidelines.

In line with GAO's recommendations, the authority agreed to perform a comprehensive study of its operations and take prompt action to implement any recommended changes. In exchange, the department agreed to provide the authority with a \$16 million loan to supplement its 1981 operating subsidy, which had been fully expended. The resulting study, performed by a consulting firm, identified significant problems in almost all phases of operations and also found that the procurement problems GAO identified had not been corrected. As a result, the authority has initiated a massive management improvement effort, and its operating deficit has been reduced by \$28.7 million—from \$33.6 million in 1981 to \$4.9 million in 1982.

Improved Gross National Product Estimates

In a report to the Congress, GAO showed that adequate efforts had not been made by the Bureau of Economic Analysis, which estimates the Gross National Product (GNP), to identify the most needed improvements to the estimates. Many recommendations made in 1977 by an Office of Management and Budget (OMB) advisory committee had not been implemented, including those directed at the most troublesome GNP components. OMB and the Bureau have disagreed on who

should lead the effort. GAO identified problem areas in the GNP estimates, pointed out the need for criteria to gauge the severity of the problems, and demonstrated the need for periodic assessments of the estimates. As a result, OMB and the Department of Commerce agreed that the GNP estimates should be periodically assessed and that the Bureau should take a greater role in determining improvements needed for the GNP estimates.

To do this, the Bureau will (1) complete an analysis in 1983 of GNP revisions, (2) conduct a limited analysis every 5 years, (3) update the analysis as part of a full-scale review at least once every 10 years, (4) supplement these analyses with nonquantitative evaluation of other aspects of GNP accuracy, (5) prepare a priority list of needed improvements for the year 1985 and subsequent budget cycles, and (6) provide such lists to OMB for use in reviewing the budgets of agencies that provide data for GNP estimates.

Amtrak Inventory and Property Controls Improved

In a November 1979 report to the Congress, GAO made several recommendations to help Amtrak strengthen inventory and property control procedures.

Amtrak subsequently implemented the Amtrak Material Management System, which essentially incorporates GAO's recommendations. The system provides for (1) automated matching of receipts and invoices, (2) use of cyclic monthly inventories, (3) automatic identification of nonreceiving materials (eliminating time-consuming manual reviews), (4) monthly inventory account reconciliations, and (5) transaction reviews and reports to management on questionable transactions. Amtrak has performed various audits of physical inventory procedures, revised its detailed instruction for cycle inventories, and has conducted a comprehensive physical inventory of maintenance-of-way material. Amtrak also initiated new work reports that allow daily recording of inventory receipt transactions. Finally,

Amtrak fenced certain property areas so that they are better protected to help control access to equipment areas.

Current Nursing Home Inspection Standards To Be Maintained

In 1981, the joint federal/state Medicare program provided over \$7 billion for nursing home care for the elderly. The Department of Health and Human Services, which administers Medicaid, proposed regulations in 1982 which would have relaxed nursing home inspection requirements. In response to this proposal, the Congress placed a temporary moratorium on implementing the regulations. In 1983, when a congressional resolution was introduced to extend the moratorium, a GAO study of nursing home conditions was cited as support for the resolution. GAO concluded that elderly patients entering nursing homes today are sicker and require more care than in previous years, and efforts to address serious problems, such as rising costs and limited nursing home capacity, have been hampered by a lack of data and research.

The department subsequently agreed to postpone issuing a final regulation until consumer groups, the nursing home industry, and the government analyze and agree on the issues involved.

Federal Presentence Investigation Reports Disclosed to Defendants

GAO reported that offenders convicted of federal crimes were not being given adequate opportunity prior to sentencing to review their presentence investigation reports and assess the accuracy of information contained in them. Specifically, GAO found that the Federal Rules of Criminal Procedure did not require mandatory disclosure of the presentence investigation report to both the defendant and his/her counsel prior to sentencing. Federal district court judges had great flexibility and considerable discretion in determining the extent, time, and place of disclosure.

GAO recommended that the Judicial Conference of the United States amend the Federal Rules of Criminal Procedure to require mandatory disclosure of presentence investigation reports prior to sentencing. The Chief Justice of the United States forwarded proposed amendments, which included GAO's recommendation, to the Congress in April 1983. The Congress passed the amendments, and federal district courts are now required to allow both the defendant and his/her counsel to review the presentence investigation report at a reasonable time prior to sentencing.

Legislation Enacted To Transfer the Alaska Railroad to the State of Alaska

In a 1982 report to the Congress, GAO recommended that legislation be enacted ending the federal government's ownership of the Alaska Railroad. GAO also pointed out that the Congress would have to decide whether to give the railroad away or sell it, how the price is to be established if the railroad is to be sold, whether private or state ownership should be emphasized, and how such emphasis is to be affected.

In 1983, the President signed legislation authorizing the transfer of the railroad to the State of Alaska if the state meets certain conditions. The public law also provides that the state will compensate the federal government for the value, if any, of the rail properties transferred. The United States Railway Association was to determine the railroad's value and provide its estimate to the Congress.

Appendixes

Appendix One

Number of Audit Reports Issued During Fiscal Year 1983

	Addressee				TOTAL
	Congress ¹	Committee ²	Member ³	Agency Officials ⁴	
Administration of Justice	5	12	5	7	29
Agriculture	4	3	5	2	14
Allowances	1	0	0	1	2
Automatic Data Processing	1	8	0	7	16
Commerce and Housing Credit	2	7	3	5	17
Community and Regional Development	5	7	7	3	22
Congressional Information Services	0	19	1	0	20
Education, Training, Employment & Social Services ..	3	12	3	1	19
Energy	5	49	10	14	78
Financial Management & Information Systems	20	12	2	17	51
General Government	11	49	5	22	87
General Purpose Fiscal Assistance	0	2	1	6	9
General Science, Space & Technology	0	3	1	2	6
Health	3	12	2	11	28
Impoundment Control Act of 1974	13	3	0	0	16
Income Security	4	11	7	5	27
Interest	0	0	0	1	1
International Affairs	10	17	8	24	59
Multiple Functions	1	2	0	0	3
National Defense	14	56	20	76	166
Natural Resources & Environment	2	15	9	12	38
Non-Discrimination & Equal Opportunity	0	1	0	1	2
Procurement Other Than Defense	0	3	0	3	6
Transportation	3	11	4	12	30
Veterans Benefits and Services	1	3	1	4	9
TOTAL	108	317	94	236	755

¹ A detailed list of these reports is contained in Appendix 2. This listing excludes certain reports classified for national security reasons for which unclassified digests have not been prepared.

² Reports submitted to the Congress are addressed to the President of the Senate and the Speaker of the House of Representatives. Copies are sent to the Director, Office of Management and Budget; the Senate and House Committees on Appropriations and Government Operations; the appropriate legislative committees in the Senate and the House; Members of the Congress from the districts in which the activities reported on are located; others in the Congress, as requested; the President of the United States, as appropriate; the agencies reported on; and others directly affected.

³ Includes reports addressed to officers of the Congress.

⁴ Comprises reports addressed to heads of departments or agencies, to other officials at department or agency headquarters, to department or agency officials at regional or other local offices, or to commanding officers at military installations.

Appendix Two

Catalog of Audit Reports Issued During Fiscal Year 1983

Administration of Justice

Criminal Justice Assistance

Agency Officials

Improved Federal Efforts Needed To Change Juvenile Detention Practices. Department of Justice and the Interior.
GGD-83-23, 3-22-83

Federal Correctional Activities

Members

Complaint About Contract Awarded by Federal Prison Industries, Inc. Department of Justice, Bureau of Prisons. (Request of Representative Clarence D. Long)
PLRD-83-65, 4-13-83

Agency Officials

Lessons Can Be Learned From Corrections' Reduction-In-Force Resulting From Budget Cutbacks. District of Columbia and Department of Justice.
GGD-83-22, 3-9-83

The Bureau of Prisons Can Improve Its Annual Firearms Refresher Training and Armory Operations. Department of Justice.
GGD-83-37, 3-18-83

Millions of Dollars in Charges for Housing D.C. Prisoners in Bureau of Prisons' Institutions Are in Dispute. Department of Justice.
GGD-83-44, 6-1-83

Federal Law Enforcement Activities

Congress

Comprehensive Approach Needed To Help Control Prescription Drug Abuse. Department of Justice, Drug Enforcement Administration.
GGD-83-2, 10-29-82

Federal Drug Interdiction Efforts Need Strong Central Oversight. Department of Justice, Drug Enforcement Administration; Department of Transportation, United States Coast Guard; Department of the Treasury, United States Customs Service; Department of State; Executive Office of the President; and Office of Management and Budget.
GGD-83-52, 6-13-83

Committees

Uncertain Benefits From Expanded Rotation System for Customs Inspectors at Buffalo/Niagara Falls. Department of the Treasury. (Request of Representative Geraldine A. Ferraro, Chairman, Human Resources Subcommittee, House Committee on Post Office and Civil Service)
GGD-83-19, 10-25-82

Customs Has Corrected a Deficiency in Administering the Quota on Imported Tuna. Departments of Commerce and the Treasury. (Request of Representatives Edwin B. Forsythe, Ranking Minority Member, Fisheries, Wildlife Conservation and the Environment Subcommittee, House Committee on Merchant Marine and Fisheries; and John B. Breaux, Chairman, Fisheries, Wildlife Conservation and the Environment Subcommittee, House Committee on Merchant Marine and Fisheries)
GGD-83-34, 1-27-82

Costs of FBI Undercover Operations. Department of Justice. (Request of Representative Don Edwards, Chairman, Civil and Constitutional Rights Subcommittee, House Committee on the Judiciary)
GGD-83-51, 3-7-83

A Strategy Is Needed To Deal With Peaking Problems at International Airports. Department of Justice, Immigration and Naturalization Service; Department of Agriculture, Animal and Plant Health Inspection Service; and Department of the Treasury, United States Customs Service. (Request of Representative Sam M. Gibbons, Chairman, Trade Subcommittee, House Committee on Ways and Means)
GGD-83-4, 3-24-83

Freedom of Information Act Operations at Six Department of Justice Units. (Request of Representative Glenn L. English, Chairman, Government Information, Justice, and Agriculture Subcommittee, House Committee on Government Operations)
GGD-83-64, 5-23-83

Better Care and Disposal of Seized Cars, Boats, and Planes Should Save Money and Benefit Law Enforcement. Department of Justice, United States Marshals Service; and Department of the Treasury, United States Customs Service. (Request of House Committee on Government Operations)
PLRD-83-94, 7-15-83

The FBI Has Improved Its Fingerprint Identification Service. Department of Justice. (Request of Senator Lowell P. Weicker, Former Chairman, Commerce, Justice, State and Judiciary Subcommittee, Senate Committee on Appropriations)
GGD-83-78, 8-19-83

Members

Charges Needed in Witness Security Program. Department of Justice, United States Marshals Service. (Request of Senator Max S. Baucus)
GGD-83-25, 3-17-83

Review and Labeling of Foreign Films by the Justice Department. (Request of Representative William V. Alexander)
GGD-83-65, 5-27-83

Detention Policies Affecting Haitian Nationals. Department of Justice, Immigration and Naturalization Service. (Request of Delegate Walter E. Fauntroy)
GGD-83-68, 6-16-83

Agency Officials

Agreements Describing Liability in Undercover Operations Should Limit the Government's Liability. Department of Justice, Federal Bureau of Investigation.
GGD-83-53, 3-15-83

Selling Abandoned Merchandise: How the U.S. Customs Service Could Increase Revenues. Department of the Treasury.
GGD-83-79, 9-30-83

Federal Litigative and Judicial Activities

Congress

Inconsistencies in Administration of the Criminal Justice Act. Judicial Conference of the United States.
GGD-83-18, 2-8-83

Agriculture

Legislative Changes Are Needed To Handle Certain Cases Under the Federal Youth Corrections Act. Department of Justice, United States Parole Commission; and Administrative Office of the United States Courts.

GGD-83-40, 3-9-83

Potential Benefits of Federal Magistrates System Can Be Better Realized. Judicial Conference of the United States and Administrative Office of the United States Courts.

GGD-83-46, 7-8-83

Committees

A Profile of Selected Personal Bankruptcy Cases. (Request of Representative Peter W. Rodino, Jr., Chairman, House Committee on the Judiciary)

GGD-83-16, 11-4-82

Closed Criminal Plea and Sentencing Proceedings by U.S. Attorneys. Department of Justice. (Request of Representative Robert W.

Kastenmeier, Chairman, Courts, Civil Liberties, and the Administration of Justice Subcommittee, House Committee on the Judiciary)

GGD-83-56, 4-21-83

Bankruptcy Reform Act of 1978--A Before and After Look. (Request of Representative Peter W. Rodino, Jr., Chairman, House Committee on the Judiciary)

GGD-83-54, 7-20-83

The Legal Services Corporation Board of Directors' Compensation and Expenses and the New President's Employment Contract. (Request of Senators Lowell P. Weicker and Edward M. Kennedy; and Representative Robert P.

Kastenmeier, Chairman, Courts, Civil Liberties and the Administration of Justice Subcommittee, House Committee on the Judiciary)

HRD-83-69, 8-31-83

Members

Greater Oversight and Uniformity Needed in U.S. Attorneys' Prosecutive Policies. Department of Justice.

(Request of Senator Max S. Baucus)

GGD-83-11, 10-27-82

Agency Officials

Department of Justice Case Management Information System Does Not Meet Departmental or Congressional Information Needs.

GGD-83-50, 3-25-83

Agricultural Research and Services

Congress

Federal Agricultural Research Facilities Are Underused. Department of Agriculture, Agricultural Research Service.

RCED-83-20, 1-14-83

Federal Regulation of Meat and Poultry Products--Increased Consumer Protection and Efficiencies Needed. Department of Agriculture, Food Safety and Inspection Service.

RCED-83-68, 5-4-83

Improved Management of Import Meat Inspection Program Needed.

Department of Agriculture, Food Safety and Inspection Service.

RCED-83-81, 6-15-83

Members

Changes Underway To Correct Inadequacies in Florida's Meat and Poultry Inspection Program.

Department of Agriculture, Food Safety and Inspection Service.

(Request of Senator Lawton Chiles)

RCED-83-70, 12-30-82

Agency Officials

Agricultural Economics Research and Analysis Needs Mission Clarification. Department of Agriculture, Economic Research Service.

RCED-83-89, 1-31-83

Research and Extension Programs to Aid Small Farms. Department of Agriculture.

RCED-83-83, 2-9-83

Farm Income Stabilization

Congress

Changes Are Needed To Assure Accurate and Valid Wheat Deficiency Payments. Department of Agriculture.

RCED-83-50, 3-29-83

Committees

Information on the Federal Crop Insurance Program. Department of Agriculture, Federal Crop Insurance Corporation. (Request of Representative Ed Jones, Chairman, Conservation, Credit, and Rural

Allowances

Development Subcommittee, House Committee on Agriculture)
RCED-83-117, 3-8-83

Followup on Actions Needed To Protect Depositors at Federally Examined Grain Warehouses. Department of Agriculture. (Request of Senator Thomas F. Eagleton, Ranking Minority Member, Agricultural, Rural Development, and Related Agencies Subcommittee, Senate Committee on Appropriations)
RCED-83-159, 7-18-83

Operation of USDA's Special Dairy Distribution Program in Nashville, TN. (Request of Senator Jesse A. Helms, Chairman, Senate Committee on Agriculture, Nutrition, and Forestry)
RCED-83-239, 9-14-83

Members

USDA Needs Objective Criteria for Awarding Special Disaster Payments. (Request of Representative Berkley W. Bedell)
RCED-83-54, 11-2-82

Information on the Federal Crop Insurance Corporation's 1983 Standard Reinsurance Agreement. Department of Agriculture.
RCED-83-114, 3-9-83

Import-Export Issues

Members

Federal Food, Agriculture, and Nutrition Programs in the New England Region. (Request of Representative James M. Jeffords)
RCED-83-36, 12-2-82

U.S. Government Actions Affecting Rice Sales to Korea. Office of the U.S. Trade Representative and Departments of Agriculture and State. (Request of Representatives Tony Coelho, Eugene A. Chappie, and Vic Fazio)
ID-83-48, 5-18-83

Agency Officials

Federal Civilian Personnel: A Work Force Undergoing Change. Office of Personnel Management and Merit Systems Protection Board.
FPCD-83-9, 10-14-82

Civilian Agency Pay Raises

Congress

Comparison of the Government Printing Office Pay and Classification System to Other Federal and Private Sector Systems. (Request of Senator Mack Mattingly and Representatives Eugene Johnston, Lynn Martin, Jerry Lewis, Bill Frenzel, and Newt Gingrich)
FPCD-83-32, 6-3-83

Automatic Data Processing

Congress

Data Processing Costs Can Be Reduced at Army and Air Force Exchange Service. Departments of Defense, the Air Force, and the Army.
AFMD-83-17, 12-21-82

Committees

Benchmarking: Costly and Difficult, but Often Necessary When Buying Computer Equipment or Services. General Services Administration and Departments of Education and Commerce. (Request of Representative Jamie L. Whitten, Chairman, House Committee on Appropriations)
AFMD-83-5, 10-22-82

Greater Emphasis on Information Resource Management Is Needed at the Federal Aviation Administration. Department of Transportation. (Request of Representative Jack Brooks, Chairman, House Committee on Government Operations)
RCED-83-60, 11-24-82

FAA's Plan To Improve the Air Traffic Control System. Department of Transportation. (Request of Representative Jack Brooks, Chairman, House Committee on Government Operations)
AFMD-83-34, 2-16-83

Status of the Phase IV Base Level Computer Replacement Program. Departments of Defense and the Air Force. (Request of Representative Jack Brooks, Chairman, House Committee on Government Operations)
AFMD-83-58, 3-16-83

NASA-Ames Research Center Should Not Have Awarded Computational Services Contract to SBA and Technology Development of California. (Request of Representative Jack Brooks, Chairman, House Committee on Government Operations)
AFMD-83-40, 6-9-83

The Air Force Weapons Laboratory Should Validate Its Computer Needs and Evaluate Alternatives Before

Commerce and Housing Credit

Continuing Its Cray-1 Computer Lease. Department of Defense. (Request of Representative Jack Brooks, Chairman, House Committee on Government Operations) AFMD-83-70, 7-22-83

Summary of Review of the Army's Division Level Data Entry Device Acquisition. Department of the Army and United States Marine Corps. (Request of Representative Jack Brooks, Chairman, House Committee on Government Operations) IMTEC-83-1, 8-16-83

Review of the Government Printing Office's Cost Estimate for the Cooperative Map Program. (Request of Senator Charles McC. Mathias, Former Chairman, Joint Committee on Printing) AFMD-83-89, 9-30-83

Agency Officials

Improvements Needed in Financial Management of GSA's Teleprocessing Services Program. Departments of Commerce, Labor, Transportation, Defense, Agriculture, and the Interior; and Veterans Administration. AFMD-83-8, 12-9-82

Small Computers in the Federal Government: Management Is Needed To Realize Potential and Prevent Problems. Office of Management and Budget; General Services Administration; and Department of Commerce, National Bureau of Standards. AFMD-83-36, 3-8-83

Federal Agencies Could Save Time and Money With Better Computer Software Alternatives. General Services Administration, Department of Commerce, and Office of Management and Budget. AFMD-83-29, 5-20-83

Bonneville's ADP Resource Management Controls Show Improvement, but More Needs To Be Done. Department of Energy. AFMD-83-63, 6-22-83

Software Problems in the Development of the Defense Fuel Automated Management System. Department of Defense, Defense Logistics Agency. IMTEC-83-5, 9-6-83

Opportunities To Improve Geological Survey's ADP Information Resources Management. Department of the Interior. IMTEC-83-8, 9-27-83

Security of ADP Systems

Agency Officials

Bonneville Power Administration Control System's Computer Security. FOD, 3-18-83

Committees

Analysis of Options for Aiding the Homebuilding and Forest Products Industries. Veterans Administration and Departments of Agriculture and Housing and Urban Development. (Request of Representative Jamie L. Whitten, Chairman, House Committee on Appropriations) CED-82-121S, 10-25-82

HUD Compliance With Continuing Resolution Provision for Using the Full Amounts of Loan Guarantee Limitations. Department of Housing and Urban Development. (Request of Senators Walter D. Huddleston, Ranking Minority Member, HUD-Independent Agencies Subcommittee, Senate Committee on Appropriations; and Edwin (Jake) Garn, Chairman, HUD-Independent Agencies Subcommittee, Senate Committee on Appropriations) PAD-83-15, 1-21-83

Rental Rehabilitation With Limited Federal Involvement: Who Is Doing It? At What Cost? Who Benefits? Department of Housing and Urban Development. (Request of Senator Edwin (Jake) Garn, Chairman, Senate Committee on Banking, Housing and Urban Affairs) RCED-83-148, 7-11-83

Agency Officials

Countercyclical Stimulus Proposals for Single-Family Housing. Veterans Administration and Departments of Agriculture and Housing and Urban Development. CED-82-122A, 11-82

Countercyclical Stimulus Proposals for Multifamily Housing. Veterans Administration and Departments of Agriculture and Housing and Urban Development. CED-82-122B, 11-82

Mortgage Credit and Thrift Insurance

Congress

Examination of the Government National Mortgage Association's Financial Statements for FY 1982. Department of Housing and Urban Development. AFMD-83-46, 1-21-83

Community and Regional Development

Other Advancement of Commerce

Congress

SBA's 7(a) Loan Guarantee Program: An Assessment of Its Role in the Financial Market.
RCED-83-96, 4-25-83

Committees

FCC Needs To Monitor a Changing International Telecommunications Market. Federal Communications Commission, Common Carrier Bureau. (Request of Representative Glenn L. English, Chairman, Government Information and Individual Rights Subcommittee, House Committee on Government Operations)
RCED-83-92, 3-14-83

Federal Communications Commission Can Further Improve Its Licensing Activities. (Request of Senators Ernest F. Hollings, Ranking Minority Member, Commerce, Justice, State and Judiciary Subcommittee, Senate Committee on Appropriations; and Paul Laxalt, Chairman, Commerce, Justice, State and Judiciary Subcommittee, Senate Committee on Appropriations)
RCED-83-90, 4-26-83

Proposed National Technical Information Service Revolving Fund. Department of Commerce. (Request of Representative John D. Dingell, Chairman, House Committee on Energy and Commerce)
RCED-83-218, 8-25-83

Estimates of Job Generation in the Travel and Tourism Industry. Departments of Commerce and Defense. (Request of Senator Larry Pressler, Chairman, Business, Trade and Tourism Subcommittee, Senate Committee on Commerce, Science and Transportation)
PAD-83-54, 9-30-83

Members

Status of FCC Efforts To Allocate Costs Between Telephone Companies' Regulated and Unregulated Activities. (Request of Senator Ernest F. Hollings)
RCED-83-235, 9-2-83

Agency Officials

Federal Efforts Regarding Automated Manufacturing Need Stronger Leadership. Department of Commerce; National Aeronautics and Space Administration; and National Science Foundation.
AFMD-83-68, 5-26-83

Postal Service

Members

Labor-Management Unrest at the Salt Lake City Post Office. United States Postal Service. (Request of Senator Orrin G. Hatch)
GGD-83-41, 2-11-83

Review of Allegations by a Postal Service Employee Regarding Claim for Injury Compensation. (Request of Senator Lawton Chiles)
GGD-83-49, 3-7-83

Agency Officials

The Postal Service Can Substantially Reduce Its Cleaning Costs.
AFMD-83-23, 12-28-82

Postal Service Needs To Strengthen Controls Over Employee Overtime.
GGD-83-36, 4-6-83

Area and Regional Development

Committees

Mission and Functions of the National Capital Planning Commission. (Request of Senators Ted Stevens; John W. Warner; Thomas F. Eagleton, Ranking Minority Member, Governmental Efficiency and the District of Columbia Subcommittee, Senate Committee on Governmental Affairs; and Charles McC. Mathias, Chairman, Governmental Efficiency and the District of Columbia Subcommittee, Senate Committee on Governmental Affairs)
RCED-83-115, 6-24-83

Members

Financial Operations and Activities at Three State-Chartered Agencies in Western Kentucky. Departments of Labor, Commerce, and Health and Human Services. (Request of Representative Carroll Hubbard, Jr.)
RCED-83-133, 6-29-83

Community Development

Congress

HUD Needs To Better Determine Extent of Community Block Grants' Lower Income Benefits.
RCED-83-15, 11-3-82

Block Grants for Housing: A Study of Local Experiences and Attitudes. Department of Housing and Urban Development.
RCED-83-21, 12-13-82

Block Grants for Housing: A Study of Local Experiences and Attitudes. Department of Housing and Urban Development.
RCED-83-21A, 12-13-82

States Are Making Good Progress in Implementing the Small Cities Community Development Block Grant Program. Department of Housing and Urban Development.
RCED-83-186, 9-8-83

Committees

HUD FY 1983 Reductions-in-Force. (Request of Senators Charles McC. Mathias; Jim Sasser; Paul S. Sarbanes; and Donald W. Riegle, Ranking Minority Member, Housing

and Urban Affairs Subcommittee, Senate Committee on Banking, Housing and Urban Affairs) RCED-83-47, 10-29-82

Interim Report on GAO's Review of the Urban Development Action Grant Program. Department of Housing and Urban Development. (Request of Representative Henry B. Gonzalez, Chairman, Housing and Community Development Subcommittee, House Committee on Banking, Finance and Urban Affairs) RCED-83-126, 3-15-83

The Costs and Benefits of Single Family Mortgage Revenue Bonds: Preliminary Report. Department of Housing and Urban Development. (Request of Senator Robert J. Dole, Chairman, Senate Committee on Finance) RCED-83-145, 4-18-83

Members

Further Information on HUD's 1983 Reductions-in-Force. Department of Housing and Urban Development. (Request of Senators Donald W. Riegle, Ranking Minority Member, Housing and Urban Affairs Subcommittee, Senate Committee on Banking, Housing and Urban Affairs; Paul S. Sarbanes; Jim Sasser; and Charles McC. Mathias) RCED-83-80, 12-23-82

Impact of the Department of Housing and Urban Development's Proposed Consolidation Plan on Tennessee. (Request of Senator Jim Sasser) RCED-83-100, 2-25-83

HUD's Loan Servicing Contracts for Multifamily Mortgages Need Better Management. (Request of Senator William Proxmire) RCED-83-78, 3-14-83

68 Examination of Allegations Concerning the Chicago Housing Authority. Department of Housing and Urban Development. (Request of Representative Harold Washington) RCED-83-144, 4-28-83

Impact of the Proposed Consolidation of HUD Field Offices in the Dallas and Fort Worth, TX, Area. Department of Housing and Urban

Development. (Request of Representatives John Bryant and Martin Frost) RCED-83-155, 5-19-83

Community Agencies Aiding the Poor in Sanford, Florida: Results of Federal Audits and Investigations. Departments of Health and Human Services, Commerce, and Housing and Urban Development. (Request of Representative Bill McCollum) HRD-83-55, 5-20-83

Agency Officials

SBA's Certified Lenders Program Falls Short of Expectations. RCED-83-99, 6-7-83

Disaster Relief and Insurance

Congress

Federal Involvement in the Mount St. Helens Disaster: Past Expenditures and Future Needs. Federal Emergency Management Agency and Department of the Army, Corps of Engineers. RCED-83-16, 11-15-82

Committees

National Flood Insurance Program: Major Changes Needed If It Is To Operate Without a Federal Subsidy. Federal Emergency Management Agency. (Request of Senators Arlen Specter and John H. Chafee, Chairman, Consumer Affairs Subcommittee, Senate Committee on Banking, Housing and Urban Affairs) RCED-83-53, 1-3-83

Effect of Premium Increases on Achieving the National Flood Insurance Program's Objectives. Federal Emergency Management Agency. (Request of Representative Edward P. Boland, Chairman, HUD-Independent Agencies Subcommittee, House Committee on Appropriations) RCED-83-107, 2-28-83

Stronger Direction Needed for the National Earthquake Program. Federal Emergency Management Agency; Department of Commerce, National Bureau of Standards; Department of the Interior, Geological Survey; and National Science Foundation. (Request of Senator Slade Gorton, Chairman,

Science, Technology, and Space Subcommittee, Senate Committee on Commerce, Science and Transportation) RCED-83-103, 7-26-83

Agency Officials

The Federal Emergency Management Agency Can Reduce Mapping Cost. RCED-83-163, 6-23-83

Review of FEMA Role in Assisting State and Local Governments To Develop Hurricane Preparedness Planning. Federal Emergency Management Agency; Department of Commerce, National Oceanic and Atmospheric Administration; and Department of the Army, Corps of Engineers. (Request of Legislation and National Security Subcommittee, House Committee on Government Operations) RCED-83-182, 7-7-83

Congressional Information Services

Committees

Program and Budget Information on the President's Budget for FY 1984. (Request of Senator Orrin G. Hatch, Chairman, Senate Committee on Labor and Human Resources) PAD-83-26, 2-17-83

Program and Budget information on the President's Budget for FY 1984. (Request of Representative Walter B. Jones, Chairman, House Committee on the Judiciary) PAD-83-28, 2-17-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Senator Edwin (Jake) Garn, Chairman, Senate Committee on Banking, Housing and Urban Affairs) PAD-83-29, 2-17-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Senator Robert J. Dole, Chairman, Senate Committee on Finance) PAD-83-32, 2-17-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Representative E. (Kika) de la Garza, Chairman, House Committee on Agriculture) PAD-83-35, 2-17-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Senator William V. Roth, Jr., Chairman, Senate Committee on Governmental Affairs) PAD-83-36, 2-17-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Senator Jesse A. Helms, Chairman, Senate Committee on Agriculture, Nutrition, and Forestry) PAD-83-39, 2-17-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Senator Alan K. Simpson, Chairman, Senate Committee on Veterans' Affairs) PAD-83-40, 2-17-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Senator Paul Laxalt, Chairman, Commerce, Justice, State

and Judiciary Subcommittee, Senate Committee on Appropriations) PAD-83-41, 2-17-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Representative James J. Howard, Chairman, House Committee on Public Works and Transportation) PAD-83-23, 2-18-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Senator Bob Packwood, Chairman, Senate Committee on Commerce, Science and Transportation) PAD-83-24, 2-18-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Senator Charles H. Percy, Chairman, Senate Committee on Foreign Relations) PAD-83-30, 2-18-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Senator Robert T. Stafford, Chairman, Senate Committee on Environment and Public Works) PAD-83-33, 2-18-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Representative Parren J. Mitchell, Chairman, House Committee on Small Business) PAD-83-38, 2-18-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Representative John D. Dingell, Chairman, House Committee on Energy and Commerce) PAD-83-27, 2-23-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Representative Don Fuqua, Chairman, House Committee on Science and Technology) PAD-83-31, 2-23-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Senator Lowell P. Weicker, Chairman, Senate Committee on Small Business) PAD-83-34, 2-23-83

Program and Budget Information on the President's Budget for FY 1984.

(Request of Representative Clement J. Zablocki, Chairman, House Committee on Foreign Affairs) PAD-83-37, 2-23-83

Program and Budget Information on the President's Budget for FY 1984. (Request of Representative Morris K. Udall, Chairman, House Committee on Interior and Insular Affairs) PAD-83-25, 2-24-83

Members

Summary of Survey on the Federal Sources of Funding for Nine Nonprofit Organizations. Departments of Health and Human Services, Labor, and Justice; and ACTION. (Request of Representative Henry J. Hyde) AFMD-83-9, 10-14-82

Education, Training, Employment, and Social Services

Elementary, Secondary, and Vocational Education

Congress

Analysis of Migration Characteristics of Children Served Under the Migrant Education Program. Department of Education. HRD-83-40, 5-2-83

Bureau of Indian Affairs Plans To Consolidate Off-Reservation Indian Boarding Schools. Department of the Interior. (Request of Representatives Harold Washington, Pat Williams, Wes Watkins, Morris K. Udall, Mike Synar, Martin Olav Sabo, William R. Ratchford, Peter A. Peysner, Carl D. Perkins, James L. Oberstar, Dave McCurdy, Ray Kogovsek, Paul Simon, Dale E. Kildee, James R. Jones, Jack Hightower, James V. Hansen, Arlen Erdahl, Glenn English, Dennis E. Eckart, Shirley Chisolm, Byron L. Dorgan, Thomas A. Daschle, William L. Clay, George E. Brown, Jr., and Douglas K. Bereuter) RCED-83-204, 9-12-83

Committees

Procedures for Making Grant Awards Under Three Department of Education Discretionary Grant Programs. (Request of Representatives Paul Simon, Chairman, Postsecondary Education Subcommittee, House Committee on Education and Labor; Carl D. Perkins, Chairman, Elementary, Secondary and Vocational Education Subcommittee, House Committee on Education and Labor; and Austin J. Murphy, Chairman, Select Education Subcommittee, House Committee on Education and Labor) HRD-83-68, 7-26-83

Members

Review of Contract Award for Management of National Center for Research in Vocational Education. Department of Education. (Request of Senator Howard H. Baker, Jr., and Representatives James H. Quillen and John J. Duncan) HRD-83-79, 8-31-83

Higher Education

Committees

Department of Education Uncertain About Effectiveness of Its Special Services Program. (Request of Senator Orrin G. Hatch, Chairman, Senate Committee on Labor and Human Resources) HRD-83-13, 11-12-82

Noncitizen Student Loan Defaults. Departments of Education and Justice. (Request of Senator Charles H. Percy, Chairman, Energy, Nuclear Proliferation and Government Processes Subcommittee, Senate Committee on Governmental Affairs) HRD-83-29, 2-7-83

Controls Over Foreign Students in U.S. Postsecondary Institutions Are Still Ineffective. Department of Education and Department of Justice, Immigration and Naturalization Service. (Request of Senator Orrin G. Hatch, Chairman, Senate Committee on Labor and Human Resources) HRD-83-27, 3-10-83

Review of the Upward Bound Program. Department of Education. (Request of Senator Orrin G. Hatch, Chairman, Senate Committee on Labor and Human Resources) HRD-83-19, 3-18-83

Other Labor Services

Congress

Congress Should Consider Repeal of the Service Contract Act. Departments of Labor and Defense, General Services Administration, National Aeronautics and Space Administration, Office of Federal Procurement Policy, and Office of Management and Budget. HRD-83-4, 1-31-83

Committees

Minimum Wage Policy Questions Persist. Department of Labor. (Request of Senators Donald L. Nickles, Chairman, Labor Subcommittee, Senate Committee on Labor and Human Resources; and Orrin G. Hatch, Chairman, Senate Committee on Labor and Human Resources) PAD-83-7, 1-28-83

Problems Affecting the Accuracy and Timeliness of Employment Service Reporting Systems. Department of Labor. (Request of Representative Carl D. Perkins, Chairman, House Committee on Education and Labor) HRD-83-49, 4-28-83

Social Services

Committees

Greater Emphasis on Early Employment and Better Monitoring Needed in Indochinese Refugee Resettlement Program. Departments of Health and Human Services and Labor and Department of State, Bureau of Refugee Programs. (Request of Representative Romano L. Mazzoli, Chairman, Immigration, Refugees and International Law Subcommittee, House Committee on the Judiciary) HRD-83-15, 3-1-83

Federally Supported Centers Provide Needed Services for Runaways and Homeless Youths. Department of Health and Human Services. (Request of Representative Ike F. Andrews, Chairman, Human Resources Subcommittee, House Committee on Education and Labor) IPE-83-7, 9-26-83

Members

Information About Essex-Newark Legal Services Project, Inc., NJ. Legal Services Corporation. (Request of Representative Joseph G. Minish) HRD-83-23, 12-23-82

Agency Officials

Practices and Procedures the Office of Refugee Resettlement Followed in Administering Grants Need Improvement. Department of Health and Human Services. (Request of Senate Committee on Labor and Human Resources) HRD-83-57, 8-12-83

Training and Employment

Committees

Information on Labor's Awards to the Opportunities Industrialization Centers of America. HRD-83-33, 3-28-83

Energy

Federal Job Training: A Comparison of Public and Private Sector Performance. Department of Labor. (Request of Senator Dan Quayle, Chairman, Employment and Productivity Subcommittee, Senate Committee on Labor and Human Resources)
IPE-83-5, 5-9-83

Corrective Actions Taken or in Process To Reduce Job Corps' Vulnerability to Improper Use of Contracting Authority. Department of Labor. (Request of Senator Orrin G. Hatch, Chairman, Senate Committee on Labor and Human Resources)
HRD-83-66, 7-15-83

Members

Targeted Jobs Tax Credit Program Activity. Departments of Labor and the Treasury. (Request of Senator Robert J. Doic)
PAD-83-44, 6-8-83

Committees

Internal Control Weaknesses at Department of Energy Research Laboratories. (Request of Senator William V. Roth, Jr., Chairman, Permanent Subcommittee on Investigations, Senate Committee on Governmental Affairs)
AFMD-83-38, 12-15-82

Analysis of DOE's Sunset Review. (Request of Senator Charles H. Percy, Chairman, Energy, Nuclear Proliferation and Government Processes Subcommittee, Senate Committee on Governmental Affairs; and Representative Philip R. Sharp, Chairman, Fossil and Synthetic Fuels Subcommittee, House Committee on Energy and Commerce)
RCED-83-41, 7-22-83

Agency Officials

Changes in BPA Billing Practices Could Reduce Interest Costs and Improve Cash Flow. Department of Energy.
RCED-83-64, 2-28-83

Emergency Energy Preparedness

Committees

Status of the Administration's Implementation of the Energy Emergency Preparedness Act of 1982. Departments of Energy, State, and Justice. (Request of Senators Bill Bradley; John W. Warner, Chairman, Energy and Mineral Resources Subcommittee, Senate Committee on Energy and Natural Resources; Henry M. Jackson, Ranking Minority Member, Senate Committee on Energy and Natural Resources; and James A. McClure, Chairman, Senate Committee on Energy and Natural Resources)
RCED-83-33, 10-8-82

Analyses of the Strategic Petroleum Reserve Drawdown Plan and the Strategic Petroleum Reserve Drawdown and Distribution Report. Department of Energy. (Request of Senators Bill Bradley; Henry M. Jackson; John W. Warner, Chairman, Energy and Mineral Resources Subcommittee, Senate Committee on

Energy and Natural Resources; and James A. McClure, Chairman, Senate Committee on Energy and Natural Resources)
RCED-83-85, 1-3-83

Analysis of the Comprehensive Energy Emergency Response Procedures Report. Department of Energy. (Request of Senators Bill Bradley; Henry M. Jackson; John W. Warner, Chairman, Energy and Mineral Resources Subcommittee, Senate Committee on Energy and Natural Resources; and James A. McClure, Chairman, Senate Committee on Energy and Natural Resources)
RCED-83-106, 2-17-83

Analysis of Justice Memorandum on President's Statutory Authorities in Oil Crises. Department of Energy. (Request of Senators Bill Bradley; Henry M. Jackson; John W. Warner; Chairman, Energy and Mineral Resources Subcommittee, Senate Committee on Energy and Natural Resources; and James A. McClure, Chairman, Senate Committee on Energy and Natural Resources)
OGC-83-6, 3-4-83

Status of Strategic Petroleum Reserve Activities as of March 31, 1983. Department of Energy and Department of Defense, Defense Supply Agency. (Request of Senators J. Bennett Johnston, Ranking Minority Member, Senate Committee on Energy and Natural Resources; and James A. McClure, Chairman, Senate Committee on Energy and Natural Resources)
RCED-83-136, 4-15-83

Oil Supply Disruptions: Their Price and Economic Effects. Departments of Energy and State. (Request of Representative Philip R. Sharp, Chairman, Fossil and Synthetic Fuels Subcommittee, House Committee on Energy and Commerce)
RCED-83-135, 5-20-83

Status of Strategic Petroleum Reserve Activities as of June 30, 1983. Department of Energy. (Request of Senate Committee on Energy and Natural Resources)
RCED-83-203, 7-13-83

Members

Determination of Oil Price in the International Emergency Sharing System. Departments of Energy and State. (Request of Senator Howard M. Metzenbaum)
ID-83-15, 11-12-82

Information on the Operation of the International Energy Agency's Coal Industry Advisory Board. Departments of State and Energy. (Request of Senator Howard M. Metzenbaum)
ID-83-44, 4-21-83

European Alternatives to Importing Soviet Natural Gas. Departments of State and Energy. (Request of Senator Lloyd Bentsen)
ID-83-31, 5-16-83

Agency Officials

Problems and Delays Overshadow NRC's Initial Success in Improving Reactor Operators' Capabilities.
RCED-83-4, 12-15-82

Energy Conservation

Committees

Update of DOE Staffing Levels Under the Assistant Secretary for Conservation and Renewable Energy. (Request of Senator Charles H. Percy, Chairman, Energy, Nuclear Proliferation and Government Processes Subcommittee, Senate Committee on Governmental Affairs)
RCED-83-177, 6-6-83

Procurement Practices in DOE's Office of the Assistant Secretary for Conservation and Renewable Energy. (Request of Representatives Norman Y. Mineta; Marilyn Lloyd, Chairman, Energy Research and Production Subcommittee, House Committee on Science and Technology; and Richard L. Ottinger, Chairman, Energy Conservation and Power Subcommittee, House Committee on Energy and Commerce)
RCED-83-234, 9-15-83

Status of Various Electric Energy Conservation Programs, Activities, and Powerplant Capacities in the United States. Department of Energy. (Request of Representative Richard L.

Ottinger, Chairman, Energy Conservation and Power Subcommittee, House Committee on Energy and Commerce)
RCED-83-193, 9-19-83

Agency Officials

Validating Energy Savings From Projects Funded by Energy Conservation Investment Program. Department of Defense.
RCED, 2-4-83

Energy Information, Policy, and Regulation

Committees

Analysis of the Energy Research and Development Budget Proposal Process. Department of Energy and Office of Management and Budget.
RCED-83-6, 11-6-82

Comments on a Critique of GAO's Radioactive Waste Ocean Dumping Report. Environmental Protection Agency, Department of Energy, and Nuclear Regulatory Commission. (Request of Representative Norman E. D'Amours, Chairman, Oceanography Subcommittee, House Committee on Merchant Marine and Fisheries)
RCED-83-45, 12-17-82

An Analysis of Natural Gas Pricing Policy Alternatives. (Request of Representative A. Toby Moffett, Former Chairman, Environment, Energy and Natural Resources Subcommittee, House Committee on Government Operations)
RCED-83-13, 2-3-83

Information on Contracts Between Natural Gas Producers and Pipeline Companies. Department of Energy, Energy Information Administration. (Request of Representative Philip R. Sharp, Chairman, Fossil and Synthetic Fuels Subcommittee, House Committee on Energy and Commerce)
RCED-83-5, 2-22-83

Analysis of Alternative Approaches to Completing the DOE Water-Cooled Breeder Program. (Request of Representative Marilyn L. Bouquard,

Chairman, Energy Research and Production Subcommittee, House Committee on Science and Technology)
RCED-83-87, 3-25-83

Regional Low-Level Radioactive Waste Disposal Sites. Department of Energy. (Request of Representatives Barney Frank and Richard L. Ottinger, Chairman, Energy Conservation and Power Subcommittee, House Committee on Energy and Commerce)
RCED-83-48, 4-11-83

Analysis of the Administration's Natural Gas Decontrol Plan. (Request of Senator James A. McClure, Chairman, Senate Committee on Energy and Natural Resources)
RCED-83-140, 4-11-83

State and Local Responses to Natural Gas Price Increases. Department of Energy, Federal Energy Regulatory Commission. (Request of Representative Philip R. Sharp, Chairman, Fossil and Synthetic Fuels Subcommittee, House Committee on Energy and Commerce)
RCED-83-142, 4-25-83

Potential Administrative Impact of Implementing Selected Provisions of the Administration's Natural Gas Decontrol Plan (S. 615) Department of Energy. (Request of Representative Philip R. Sharp, Chairman, Fossil and Synthetic Fuels Subcommittee, House Committee on Energy and Commerce)
RCED-83-146, 4-25-83

Federal Energy Regulatory Commission Has Expedited Case Processing; Additional Improvements Needed. Department of Energy. (Request of Senator Charles H. Percy, Chairman, Energy, Nuclear Proliferation and Government Processes Subcommittee, Senate Committee on Governmental Affairs)
RCED-83-51, 6-10-83

Lengthy Case Processing Causes Overlapping of Electric Rate Increases. Department of Energy, Federal Energy Regulatory Commission. (Request of Senator Charles H. Percy, Chairman, Energy, Nuclear Proliferation and Government Processes Subcommittee,