



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

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INTERNATIONAL DIVISION

AUG 25 1970

Jack O. Padrick, Director
Office of Field Services
Department of Commerce

Dear Mr. Padrick:

We have made a limited preliminary review of policies and practices followed by one of the Department of Commerce field offices (the Boston office) in disseminating foreign trade leads to the business community. These leads, in the form of foreign private trade opportunities and government tenders, are sent to the International Liaison Trade Opportunities (ILTO) staff of the Department of Commerce in Washington by overseas posts of the Department of State.

In order to inform you of the results of our review in a timely manner, several matters we noted are discussed below. We are making no recommendations at this time but plan to do so, if warranted, upon completion of a much broader review of the Trade Opportunities Program which we will start soon at several overseas locations and Department of Commerce field offices.

Office of Field Services instructions recommend that field offices make maximum use of trade opportunities by notifying exporters and potential exporters of specific trade leads. The Boston Field Office's practice, however, is to disseminate only special handling private trade opportunities. During calendar year 1969, the Boston Office received from ILTO about 338 of these special handling opportunities.

For routine type private trade opportunities and government tenders, i. e., those published in International Commerce and Commerce Business Daily, we were advised that no dissemination is made to the business community. During 1969 ILTO received about 5,700 routine type opportunities, most of which were included in the above mentioned publications. ILTO also published an estimated 1,500 to 2,000 government tenders during the year. Thus, it can be seen that only about 5 percent of the total potentially beneficial trade relationships were exploited by the Boston Office.

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We examined into 34 special handling private trade opportunities to determine whether they were sent to businesses which might be in a position to take advantage of them. A total of 158 businesses were sent form letters informing them of these 34 opportunities. There were, however, 33 other companies which were not so informed even though they appeared to manufacture the items sought by the foreign firms. Of the 158 businesses receiving form letters, we found that 13 did not manufacture the items described in the trade opportunity.

The Chief, International Trade Division at the Boston Office agreed with our observations and attributed the errors cited to a breakdown in clerical procedures which are supposed to safeguard against such situations.

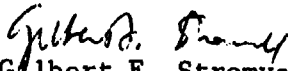
Our inquiry into the timeliness of dissemination showed that the Boston Office took an average of about 14 days to mail out the form letters. Although we are not aware of any specific criteria for field offices in these matters, 14 days appears excessive in view of the fact that these opportunities are designated as special handling and, therefore, are deserving of priority treatment.

The Boston Office reports monthly to Washington the number of new exporters which were materially assisted by the field office in handling their first export order. Supporting documentation required for the report is a Form IA-57 American International Traders Index (AITI). The form is used by the Government in identifying exporting firms and their specific interests in the areas of international trade and investment so that all appropriate assistance can be offered to them.

In 1969 the Boston Office reported that 21 firms were new exporters and had exported goods valued at about \$83,620. Officials of the Boston Office told us that there were an additional 11 firms in 1969 which had exported goods valued at about \$50,775. These firms, however, did not complete the Form IA-57 in spite of the urgings of field office officials. To the extent these 11 firms were materially assisted by the Boston Office the reported success of the program at the field office level was understated and resulted in their not being listed in the AITI.

We wish to thank you and members of the Boston Office for the courtesies extended our staff during the review. Of course, if you should wish to discuss any of these matters further, we would be pleased to do so.

Sincerely yours,


Gilbert F. Stromvall
Assistant Director