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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D C 20548

GENERAL GOVERNMENT  
DIVISION

OCT 13 1972

Dear Dr. Kennedy

**BEST DOCUMENT AVAILABLE**

We are transmitting the functional cost estimate package which you requested during our meeting of May 5, 1972. As discussed with you previously, the information contained therein does not represent the position of the General Accounting Office, but is a range of estimates provided in accordance with your guidelines for use as a tool in considering revisions to the bankruptcy system.

This cost estimate package is a product of information obtained through discussions with you and your staff, our office's experience gained from our review of referees and trustees in bankruptcy administration, and statistics provided to us by the Division of Bankruptcy, Administrative Office of the U.S. Courts. The package is based on known and measurable factors, and has utility primarily as a point of departure for a more definitive estimate as optional courses of action presently available are reduced in number.

The elements of a bankruptcy system provided for in the estimate include referee, trustee, counselor, appraiser, and central management and data processing services. Although four different cost options are provided for both the counselors and appraisers, the first option is believed to be the most feasible. The compilation of the estimates of cost for the elements of a bankruptcy system indicate a total annual cost of about \$74.2 million. The organization will require a total of 4,153 well-qualified personnel with a variety of legal, business, social services and clerical skills including 2,908 new personnel to be recruited and trained.

Sincerely yours,

A handwritten signature in cursive script that reads "Daniel F. Stanton".

Daniel F. Stanton  
Assistant Director

Enclosure

Dr. Frank R. Kennedy  
Executive Director  
Commission on the Bankruptcy Laws of  
the United States  
1016 - 16th Street, NW.  
Washington, D.C. 20036

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