



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

9341

B-146333

MAR 2 1979

The Honorable John M. Murphy  
Chairman, Committee on Merchant Marine  
and Fisheries  
House of Representatives *H/BE 02700*

Dear Mr. Chairman:

On January 15, 1979, you along with 26 other Congressmen introduced a bill, H.R. 85, 96th Congress, which would provide for a comprehensive system of liability and compensation for oilspill damage and removal costs. The bill would establish a Comprehensive Oil Spill Liability Fund to help finance such costs. On the same day Congressman Studds introduced a similar bill, H.R. 29. Both bills contain requirements for auditing and reporting by our Office which we believe are unnecessary and undesirable.

Subsection 102(g) of both bills provide that:

"The Comptroller General shall audit all payments, obligations, reimbursements, or other uses of the fund, to assure that the fund is being properly administered and that claims are being appropriately and expeditiously considered. The Comptroller General shall submit to the Congress an interim report one year after the establishment of the fund and a final report two years after the establishment of the fund. The Comptroller General shall thereafter audit the fund as appropriate. Each Federal agency shall cooperate with the Comptroller General in carrying out this subsection."

The requirements of subsection 102(g) for General Accounting Office audits and reports are unnecessary. Our Office already has sufficient authority to make such audits. Also, alternative methods exist for congressional committees to obtain needed information with less risk of precluding or disrupting other work by our Office.

*Letter*

004930

Under the Budget and Accounting Act of 1921, as amended (31 U.S.C. 53), the Comptroller General has authority to investigate and report on "all matters relating to the receipt, disbursement, and application of public funds." The Accounting and Auditing Act of 1950, as amended (31 U.S.C. 67), requires the General Accounting Office to audit "the financial transactions of each executive, legislative, and judicial agency," except as otherwise specifically provided by law. Section 204 of the Legislative Reorganization Act of 1970, as amended (31 U.S.C. 1154(a)), directs the Comptroller General to "review and evaluate the results of Government programs and activities carried on under existing law." In our opinion, this existing legislation gives our Office adequate authority to make the audits that would be required by subsection 102(g).

If enacted, the specific auditing and reporting requirements of subsection 102(g) would draw heavily on our already limited staff resources, disrupt our audit plans, and possibly preclude our undertaking other important work. In fact, such requirements might preclude us from timely performing work specifically requested by your committee or other congressional committees because the available staff necessarily would be involved in auditing transactions of the Comprehensive Oil Spill Liability Fund.

As you know, committees having jurisdiction may request our Office to perform desired reviews and, under section 204 of the Legislative Reorganization Act of 1970, as amended, we will perform such requested reviews. We believe such an arrangement, in lieu of a specific legislative requirement, would be mutually advantageous because it would permit us, through discussions with the committee, to reach agreement regarding the scope and report timing for our initial audit efforts and thus to concentrate on the matters of greatest concern to the committee. Accordingly, we recommend that the requirements for the General Accounting Office audits of and reports on the Fund be deleted from the bills.

The auditing and reporting provisions of subsection 102(g) are undesirable because they would require our Office to undertake work which should be performed by the Department of Transportation's Office of Inspector General. Subsection 102(g) states that the purpose of the audits would be "to assure that the fund is being properly administered and that claims are

being appropriately and expeditiously considered." We believe these are essentially management responsibilities that should be carried out by the Department of Transportation rather than by our Office. Therefore, if the committee considers it necessary for the Congress to have reports on the administration of the Fund during its initial years of operation, we recommend that section 102(g) be revised to require the Department's Inspector General to make the reports.

In a somewhat unrelated matter, we would like to express concern over certain provisions contained in S.2083 of the 95th Congress--a bill similar to H.R. 85 and H.R. 29 which failed enactment. This bill contained provisions not included in H.R. 85 and H.R. 29 that would have required (1) our Office, the Coast Guard, and the Environmental Protection Agency to study incentives for safer operations of vessels and facilities to reduce discharges of oil or hazardous substances and measures to prevent or avoid such discharges and (2) our Office, in consultation with the Environmental Protection Agency, to investigate the necessity for providing assistance in emergencies caused by the release of pollutants.

Legislative mandates that our Office participate in such studies and investigations as required by S. 2083 cause us considerable concern because of their potential impact on our capability to perform other work. Also, such provisions might result in requiring our Office to devote resources to matters on which we already have performed work or to matters which properly should be considered as management functions for which the administering Federal agencies have responsibility.

Our Office has performed or is in the process of performing several assignments in those areas, including

- "Analysis Of Future Coast Guard Resource Needs For Responding To Oilspills" (CED-79-32, Jan. 12, 1979);
- "Coast Guard Response To Oilspills--Trying To Do Too Much With Too Little" (CED-78-111, May 18, 1978);
- "Tankers And Oil Transfer Operations On The Delaware River And Bay" (CED-77-124, Aug. 23, 1977);
- "Total Cost Resulting From Two Major Oilspills" (CED-77-71, June 1, 1977);

B-146333

- analysis of the activity of the oil pollution fund (printed by the Subcommittee on Government Activities and Transportation, House Committee on Government Operations, in its March 1977 hearings on Coast Guard efforts to prevent oil pollution caused by tanker accidents);
- Coast Guard efforts to assure safety of commercial vessels in U.S. waters (assignment in process); and
- analysis of Coast Guard's marine aids to navigation program (assignment in process).


Although the cited reports were addressed to other congressional committees in response to their specific requests, copies were furnished to your committee.

As you are aware, we have worked very closely with your committee by (1) responding to specific requests and (2) assuring that our self-initiated assignments are of interest to you. We believe that this approach gives us enough staffing flexibility to meet the needs of your committee and other congressional committees.

We mentioned our concern over the provisions contained in S. 2083 solely in the event they should be reintroduced as part of the legislative process. Your consideration of these views as well as those on H.R. 85 and H.R. 29 would be appreciated.

Sincerely yours,

**R.F.KELLER**

 Comptroller General  
of the United States

bc: Mr. Eschwege (CED)  
Mr. Campbell (CED)  
Mr. Blume (CED)  
Mr. Jones (CED)  
Coast Guard Files  
Index and Files  
Legislative Digest  
Mr. Socolar (OGC)  
Mr. Brown (OP)