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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

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LOGISTICS AND COMMUNICATIONS DIVISION

B-180444

3/13/74

CITR The Honorable Sam Steiger
House of Representatives

Dear Mr. Steiger:

This is in response to your inquiry of January 15, 1974, relative to a constituent's proposal for a research grant. The grant is to be used to develop a portable computer to record traffic information for verifying the accuracy of charges for telecommunications service and also to provide a means for reviewing and controlling the use of this service to hold down annual cost increases.

The American Telephone and Telegraph Company (AT&T) already has equipment that performs the functions intended for the equipment proposed for development by your constituent, with the exception of the one-way tone at 1- to 5-minute intervals to remind users of the elapsed time during a telephone call. AT&T representatives advised us that such a tone could be provided at additional cost; however, they did not have any plans for adding a tone option to the services they offer. These representatives told us that other companies also had equipment that records traffic information. We could not, however, evaluate the relative effectiveness of existing equipment and that proposed by the constituent.

It should be noted that the equipment discussed above is either built in or of a more permanent-type fixture as opposed to the portable equipment proposed to be developed by your constituent. An AT&T representative said that, because of the extensive wiring connections to a switchboard that would be required, he would question the cost effectiveness of such equipment. It could be cost effective if the switchboards were designed to accept a plug-in of such equipment, which they are not.

Various means of controlling the use of telecommunications service are available, including administrative

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instructions and educational programs, mechanical controls (such as wiring to exclude access to selected telephone services), and manual controls (such as routing calls through an operator). Most controls, however, add to the cost of the system, and the question whether they should be implemented depends upon the degree of control desired and whether it is cost effective to provide control. For example, the General Services Administration (GSA) has decided that billings to users of its Federal Telecommunications System (FTS) will ordinarily be made only on a departmental or agency basis. This procedure eliminates the expense of billing individual offices for individual FTS calls.

AT&T provides its customers, including GSA, with data showing traffic information which the customer can use for purposes of review and control of traffic. In the case of GSA's FTS, this data is a 10-percent sampling of traffic. If additional data or more detailed data is required, telephone customers can obtain it through acquisition and use of the type of equipment discussed previously or through manual sampling procedures.

Since GAO does not participate in the award of grants of the type sought by your constituent, we are making no recommendations. However, our survey--summarized above--disclosed no indications of need for development of equipment as proposed by the constituent. For the same reasons, we did not examine the relative qualifications of the constituent and other firms which might be interested in competing for a grant to develop similar equipment.

I trust that the above information will serve the purpose of your inquiry. As you requested, we are returning the correspondence from your constituent.

Sincerely yours,

Robert G. Rothwell

TOP F. J. Shafer
Director

Enclosure