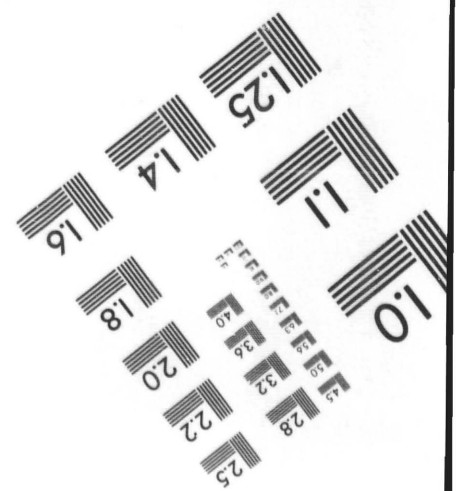
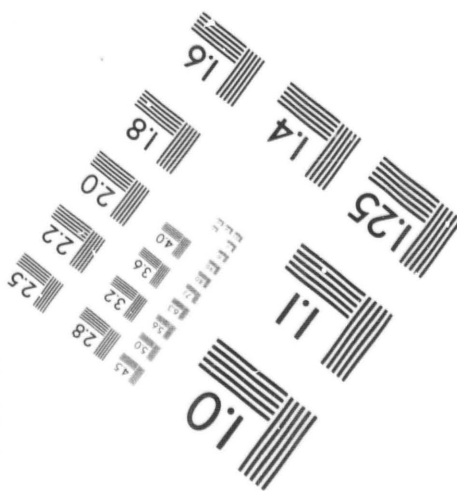
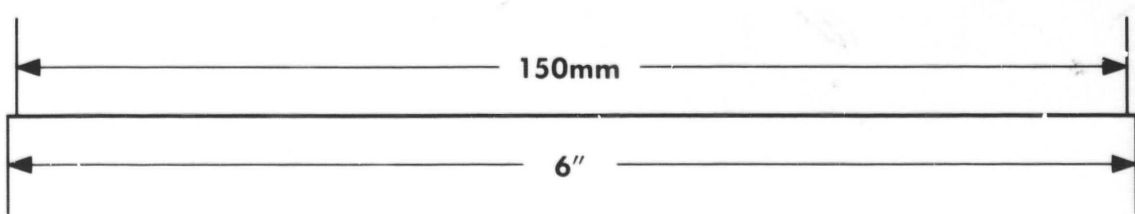
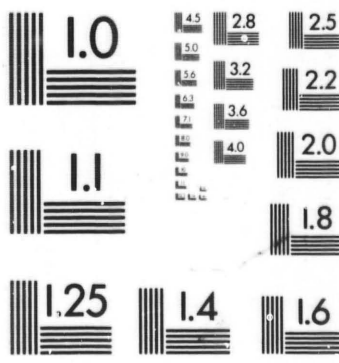
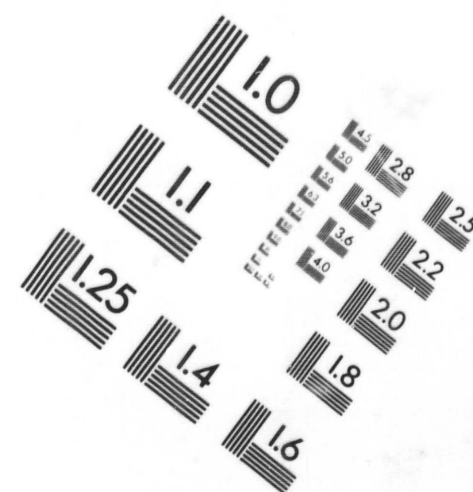
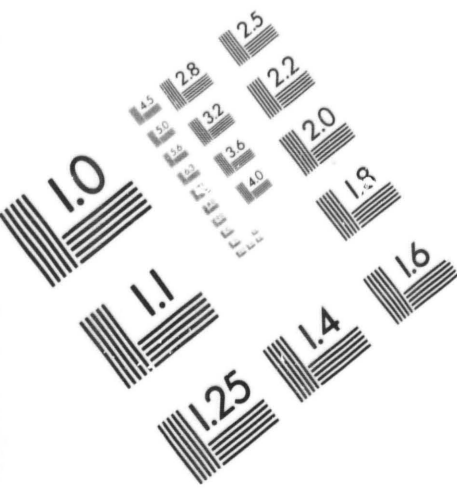


# **IMAGE EVALUATION TEST TARGET (MT-3)**



**PHOTOGRAPHIC SCIENCES CORPORATION**

770 BASKET ROAD

P.O. BOX 338

WEBSTER, NEW YORK 14580

(716) 265-1600





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

125363

B-215584

September 6, 1984

The Honorable William V. Roth, Jr.  
Chairman, Committee on  
Governmental Affairs  
United States Senate

Dear Mr. Chairman:

This is our reply to your June 1, 1984, request for our views on S. 2666, a bill to preclude changes in the federal regional structure except by statute. This bill would accomplish its purpose by requiring an act of Congress to amend, revise, repeal, or otherwise alter the following: (1) the standard federal regions policy, (2) the standard federal regions, (3) the federal regional offices, and (4) the sub-regional structures. These are established under Office of Management and Budget (OMB) Circular A-105, issued April 4, 1974. The bill would further require the Director, OMB, to notify the Congress upon receipt of any request from an agency for permission to deviate from conformance with the regional and subregional structures established by A-105, but the Director could not approve such requests until 90 calendar days after the Congress was notified.

Under the Circular, federal departments and agencies generally are required to locate their regional offices in 10 standard regional headquarters cities. The Circular states that subregional structures should maximize consistency and compatibility with the organization structures of other federal agencies, states and local governments. Agencies must obtain OMB approval to establish or realign regional and subregional offices and boundaries which are inconsistent with these long-term goals. Between 1981 and 1983, OMB approved 24 of 28 agency requests for changes in their regional structures which fell outside the A-105 guidance.

In 1983, an interagency working group established by the President's Cabinet Council on Management and Administration reviewed the policies, legislation, current practices, structure and resources of federal field activities. The working group studied three areas: common administrative services, organization and staffing, and field structure policy. For the latter, the group focused primarily on Circular A-105 which their report characterized as "the current federal field structure policy document."

Generally, the working group found that some agencies had made substantial progress in improving service delivery and reducing costs, but opportunities existed for further improvements in service delivery and reductions in the field structure's size and cost. Following the working group's report, the President directed the heads of executive departments and agencies to assess their field structures and implement changes to streamline field programs, administrative support activities, and, as appropriate, headquarters staff. Agencies have conducted their assessments and implementation of their proposals is being carried out under OMB's Reform 88 initiative.

For Circular A-105, the group recommended establishing a "refined policy" of economy and effectiveness goals to recognize the "philosophical, programmatic, and environmental changes" that have occurred since A-105 was originally promulgated. Rather than a specific regional structure, the proposed economy and effectiveness goals would include:

- Elimination of unnecessary field offices;
- Efficient provision of administrative support services;
- Maintenance of organizational structures supporting more effective and consistent achievement of program and mission goals;
- Maximum use of federal assets in the field, including not only physical assets but also appropriate coordination among agencies; and
- Decentralization of appropriate programs and responsibilities to state and local government and the private sector.

An OMB official recently informed us that OMB has not taken action to revise the Circular.

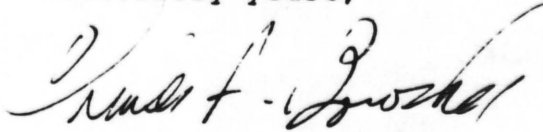
The provisions of S. 2666 would make it very difficult to make further changes, either to the policy or the structure now in place because such changes would now require legislative action. S.2666 would require congressional review of any proposal to consolidate or eliminate any regional office or change the 10-region structure. We believe the President and executive agencies need greater flexibility than would be provided by this bill to adjust their field structures to changing needs or to effect further economies in their operations.

Should the Congress decide to limit the executive branch's prerogative to reorganize its field structure, it may wish to consider instituting a process similar to that proposed for

formal consideration and approval of reorganization plans. H.R. 1314, passed by the House of Representatives on April 10, 1984, would authorize the President to submit reorganization plans proposing limited organizational changes. A plan would become effective only by enactment of a joint resolution approving it within a specified period. This legislation would provide a specific process with which the Congress is long familiar that could also be adopted for handling proposals for field structure changes in an expedited manner. In enacting such an approach for field structure changes, the Congress may wish to set minimum thresholds, such as on the number of employees or offices affected below which a formal plan and congressional approval would not be required.

We are not aware of any paperwork or regulatory burden which would result from passage of this legislation.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Kenneth F. Fuchs", written in a cursive style.

Comptroller General  
of the United States

**END**