



Accounting and Information
Management Division

B-260055

March 10, 1995

The Honorable John Glenn
United States Senate

The Honorable Gary A. Condit
House of Representatives

This letter responds to your October 4, 1994, request that we provide information on user fees collected by the Federal Maritime Commission (FMC) for access to its Automated Tariff Filing Information System (ATFI). You asked us to determine (1) the actual revenues collected for ATFI user fees from fiscal years 1993 through 1995 and (2) whether or not original congressional budget estimates for ATFI user fees were being met. We found that while the original budget estimate for this period totaled \$810 million, it is currently estimated that the actual user fees will be only \$438,800, or 0.05 percent of the original budget estimate.

BACKGROUND

The FMC is primarily responsible for regulating the domestic offshore and foreign waterborne commerce of the United States. In carrying out its mission, FMC reviews and makes available to the public tariffs filed by common carriers.¹ Beginning in the early 1980s, FMC started looking for ways to automate its cumbersome paper tariff filing system. In a paper format, tariffs were several inches thick in order to cover all the possible cargo types, shipping destinations, and service contract terms.

In December 1993, FMC completed the implementation of ATFI. With ATFI, approximately 2,800 carriers and marine operators

¹Tariffs of common carriers are a schedule of rates, charges, classifications, rules, and practices for transporting cargo by water.

were able to electronically file over 5,000 tariffs with FMC. In addition to storing and retrieving tariff filings, ATFI permits users, such as shippers, to quickly calculate their total bill for moving cargo under a specific tariff or to determine whether a carrier's charges have been properly assessed. Users can access ATFI directly via modem or can purchase tariff information from vendors who may or may not have acquired data from FMC.

In November 1992, the Congress passed the High Seas Driftnet Fisheries Enforcement Act, Public Law 102-582. Provisions in the law require FMC to collect user fees from anyone accessing ATFI and its data for a little over 3 fiscal years beginning in July 1992. In addition to requiring FMC to assess a charge for direct on-line use of the ATFI system, the law requires FMC to assess a charge for indirect or subsequent use of ATFI data outside of FMC's system by users, such as vendors of tariff information.

ATFI USER FEES COLLECTED FOR
FISCAL YEARS 1993 THROUGH 1995
WILL NOT MEET CONGRESSIONAL
BUDGET ESTIMATES

A comparison of ATFI user fees to be collected with congressional budget estimates shows that original budget estimate will not come close to being met, with only 0.05 percent being collected. FMC officials provided us with the unaudited actual revenue collected in fiscal years 1993 and 1994 from ATFI user fees as well as the estimated revenue to be generated in fiscal year 1995. These amounts as well as the Congressional Budget Office's (CBO) original revenue estimates for fiscal years 1993-95 are shown in table 1.

Table 1: Actual and Estimated Revenues for ATFI User Fees and Original Congressional Budget Office Estimates

Fiscal year	Direct on-line use revenue	Indirect/subsequent use revenue	Total revenue	CBO revenue estimates
1993	\$6,600	\$0	\$6,000	\$140,000,000
1994	190,200	17,000	207,200	285,000,000
1995	195,000 ^a	30,000 ^a	225,000	385,000,000
Total	\$391,800	\$47,000	\$438,800	\$810,000,000

^aFiscal year 1995 amounts are estimates.

Source: Federal Maritime Commission and Senate Report 102-346, Coast Guard Authorization Act of 1992

FMC officials stated that the large disparity between budget estimates and actual revenue is primarily attributable to (1) optimistic assumptions about the frequency with which tariff data is used and (2) not considering shippers' and carriers' ability to obtain tariff data from other sources. CBO stated its belief that the large disparity between budget estimates and actual revenue from ATFI user fees resulted from the agency not fully implementing the requirements of the legislation imposing ATFI user fees. For example, CBO based its revenue estimate on the premise that FMC would increase ATFI's capacity to handle more users and enhance the system's capabilities to provide additional services, such as comparing charges among several tariffs. FMC officials stated that they believed the agency had fully complied with all statutory requirements for ATFI user fees and that the law never mandated system enhancements to ATFI. FMC officials also stated that even if the agency had been required to enhance ATFI's capabilities, it would not have been possible to change the system's design without significantly delaying ATFI's scheduled implementation.

The FMC's Office of the Inspector General has planned a series of audits for fiscal year 1995 that will review charges for indirect or subsequent use of ATFI data. The purpose of the audits will be to determine whether applicabl

B-260055

user fees have been assessed and collected in compliance with regulations.

In conducting our work, we met with FMC officials responsible for implementing ATFI and monitoring the collection of user fees. In addition, we met with the agency's Inspector General. We also spoke with CBO's budget analyst responsible for preparing the budget estimates for ATFI user fees and discussed the assumptions used in making CBO's projections. Finally, we reviewed the legislation requiring ATFI user fees.

We performed our work from November 1994 through February 1995, in accordance with generally accepted government auditing standards. We discussed the contents of this letter with FMC and CBO officials and have incorporated their comments as appropriate.

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We will provide copies of this letter to the Chairman of the Senate Governmental Affairs Committee and to the Chairman of the Government Management, Information and Technology Subcommittee of the House Government Reform and Oversight Committee. We will also send copies to the Chairman of the Federal Maritime Commission, the agency's Inspector General, and the Congressional Budget Office's Deputy Assistant Director for Budget Analysis. Copies will be made available to others upon request. Please contact me at (202) 512-9508 if you or your staffs have any questions concerning this letter.



Lisa G. Jacobson
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