126822
34161

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

ACCOUNTING AND FINANCIAL
MANAGEMENT DIVISION

B-211306

APRIL 8, 1985

The Honorable William H. Gray, III
Chairman, Committee on the Budget
House of Representatives

126822

Dear Mr. Chairman:

Subject: Budget Treatment of Monetary Credits (GAO/AFMD-85-21)

We are responding to former Chairman Jones' request for a statement of GAO policy concerning "monetary credits" as a "backdoor" financing technique. Mr. Jones expressed concern about the increasing use of monetary credits, a financing technique that has fallen outside the purview of the regular appropriations process (hence, a "backdoor" technique).

BACKGROUND

Government agencies are, at times, authorized by statutes to use the monetary credit procedure to acquire property such as land or mineral rights without issuing checks. Some of these statutes give officials the additional option, not entailing monetary credits, of acquiring property by cash purchases (checks). When monetary credits are used, the government gives the seller credits in dollar amounts reflecting the agreed-upon value of the acquired property. The holder of the credits may apply them later to reduce the amount owed the government (by the holder) in other, sometimes unrelated, transactions with the government. In short, the government purchases property by promising to reduce the amount it may later collect on other transactions from the parties involved. Because monetary credits do not entail cash disbursements by the government, they have at times not been recognized in budget totals and procedures as a form of spending, and not controlled by congressional appropriations and budget resolution actions.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our basic objective was to develop a statement of policy for consideration by the Congress on the correct treatment of monetary credits in budget-related documents and procedures. It was not within the scope of this inquiry to ascertain what

031917

(008486)

programmatic or economic considerations would be sufficiently compelling to warrant use of the monetary credit procedure instead of the more customary cash purchase procedure. We believe that from the standpoint of assured budget control, it is generally preferable for the government to purchase property on a cash basis. Cash purchases and their matching outlay recordings in the budget are standard, government-wide transactions that are highly visible to users of budget documents, easily understood by budget and appropriations participants, and readily controlled by existing congressional budget and appropriations processes. Resorting to relatively unique and complex, non-cash procedures (such as monetary credits) could add confusion to the budget's amounts, and complicate the Congress' tasks of comparing programs and setting budget priorities.

In developing an understanding of the monetary credits procedure, we reviewed five monetary credits authorizing bills and six laws,[1] focusing upon their budget-related features--especially whether they contained requirements for appropriation act approval. These were the monetary credits bills and laws that came to our attention during a separate study of U.S. eastern wilderness areas,[2] or were identified for us by executive branch and congressional officials in our interviews concerning monetary credits. There may be other such bills and statutes not identified.

Also, many of the identified bills and statutes did not use the term "monetary credit" per se, but rather authorized (or proposed to authorize) governmental issuances of "bidding rights," "bidding credits," or "certificates of value" in exchange for tangible or intangible property. We considered all of these to

---

[1]The bills, introduced in the 98th Congress, were: initial versions of S. 465 and H.R. 2326 concerning areas of Florida (later versions did not have monetary credit provisions); S. 340 and H.R. 1071 pertaining to Alaska; and S. 2457 on lands in Idaho. The laws were: the Cranberry Wilderness Act of 1983 (Public Law 97-466); the Rattlesnake National Recreation Area and Wilderness Act of 1980 (Public Law 96-476); Alaska Native Claims Settlement Act amendments (Public Law 94-204, and section 606 of Public Law 97-468); Public Law 96-401, pertaining to the Northern Cheyenne Indian Reservation; and section 317 of the Interior Department and Related Agencies Appropriations for Fiscal Year 1984, concerning land in Hawaii (Public law 98-146).

[2]The study resulted in a report entitled, "Private Mineral Rights Complicate the Management of Eastern Wilderness Areas" (GAO/RCED-84-101, July 26, 1984).

be forms of monetary credits in their intended uses, because the parties who may receive "bidding rights," "certificates of value," etc., in exchange for their property may apply those amounts as credits to their accounts in other transactions with the government. A key difference among the bills and statutes is the degree to which there are limitations on the kinds of transactions to which the credits may be applied. For example, the credits extended under one act may be applied only to reduce amounts paid the government on coal lease bids, royalties, or rents,[3] whereas those extended under another act may be used to reduce payments in a wide variety of areas, namely,

> ". . . on any mineral, oil, or gas lease or other Federal property competitively won or otherwise held by the applicant . . ." (Emphasis added)[4]

We also reviewed pertinent budget-related documents, including congressional budget resolution materials, appropriation acts, and budgets of the President, to ascertain how monetary credits are treated and controlled. Interviews were conducted with cognizant congressional staff, including those of the budget and appropriations committees, and with budget officials in the Office of Management and Budget (OMB), Department of the Treasury (Treasury), Department of the Interior (DOI), and General Services Administration (GSA), the organizations most directly affected by the monetary credits statutes and bills identified. We asked them for their views and explanations of the budget treatment of monetary credits. They also provided needed documents on some monetary credit transactions.

Our analysis was conducted in accordance with generally accepted government auditing standards.

RESULTS OF STUDY

The potential level of monetary credits that might be issued under the examined bills and statutes is significant. According to DOI and congressional committee estimates of the values of the properties that could be acquired with monetary credits, the level of issued credits could reach at least \$400 million to \$500 million. This would be exclusive of any future interest that might be added to the value of issued credits so long as they remain unredeemed. One of the monetary credit laws we examined authorizes the government to add interest to the value

---

[3]The Rattlesnake National Recreation Area and Wilderness Act of 1980 (Public Law 96-476).

[4]The Cranberry Wilderness Act of 1983 (Public Law 97-466).

of unredeemed credits, and the 1983 monetary credits agreement negotiated under that law permits the credits to remain unredeemed and accumulate interest until at least 1995 (the date may be extended under certain, specified circumstances).[5]

Redemption of the credits under the bills and statutes we studied would reduce the retained collections of the redeeming agencies. Unlike income tax and certain other receipts that are passed on to the Treasury for unspecified uses, retained collections are kept by the agencies for specified programs. When collected, they become actual or potential budgetary resources of the collecting agencies--they may be used as approved by permanent or annual legislation for incurring obligations and making outlays for programs.

The monetary credit statutes and bills we examined do not contain specific dollar limits on the credit amounts, nor do they have provisions explicitly requiring appropriation act approval of the amounts. Furthermore, there has been no appropriation act provision explicitly limiting the amounts. This has permitted credits to be issued outside the controls of the congressional appropriations process.

The President has taken steps to subject some monetary credits to appropriations control. His budget for fiscal year 1985 proposed a $10 million limit for monetary credit purchases, or cash purchases, authorized by the Cranberry Wilderness Act of 1983 (Public Law 97-466). This act authorizes monetary credit or cash purchases of privately-held mineral rights in West Virginia.

The Congress acted upon this proposal by approving, in its Continuing Appropriations Act, Fiscal Year 1985 (Public Law 98-473), $15 million for Cranberry wilderness cash purchases--the act does not discuss monetary credits. In this action, the Congress approved funding for a cash purchase, and did not pass an explicit appropriations approval of, or limitation on, monetary credit purchases. Officials at OMB state that they are attempting to identify other monetary credit laws and programs with unissued credits, and will propose appropriation act limitations on the amount of credits that may be issued. No additional limitations were proposed in the budget for fiscal year 1986.

---

[5]The law is the Rattlesnake National Recreation and Wilderness Act of 1980 (Public Law 96-476), as amended by section 7(b) of the Lee Metcalf Wilderness and Management Act of 1983 (Public Law 98-140).

GAO views

We concur with the OMB policy favoring appropriation act limits on monetary credits. Indeed, prior to the release of the 1985 budget with its proposed appropriation limitation, we had expressed to OMB officials our concern about the lack of appropriation controls over monetary credits.

Establishing appropriations act limits on monetary credits would be consistent with a basic aim of the 1974 Congressional Budget Act (Public Law 93-344)--i.e., to increase appropriations process control over, and accountability for, congressional spending decisions on individual programs. Although monetary credits are not conventional spending transactions because they do not involve cash outlays by the government, they are spending-like in their basic purpose and use. The government, when it issues credits to acquire property, agrees in effect to "spend" its future collections for the property, and this kind of commitment, like regular spending, ultimately affects the budget deficit (when the credits are redeemed) because it reduces collections that would otherwise be made.

Although the 1974 Act does not specifically require appropriations act action on transactions such as monetary credits, because such transactions were not in use or generally known about when the Act was drafted, we feel that sound budget policy requires such appropriations action. This would improve the comprehensiveness of appropriations review and control over program initiatives with likely or potential budget consequences. A similar consideration has prompted us to support congressional initiatives to expand and regularize appropriation limits on federal loan guarantees.

The Congress could implement appropriation limits simply by beginning to include limitations in relevant appropriation bills. However, there would be potential under this approach for incomplete inplementation of appropriation limits. The appropriations committees might not be aware of all of the monetary credit legislation, and consequently might not include limits in all cases.

This potential problem could be avoided by enacting permanent legislation making the issuance of monetary credits contingent upon advance approval in appropriation acts. An amendment to the 1974 Congressional Budget Act would be the most suitable form of any such permanent legislation--the amendment could extend the 1974 Act's (section 401) enumeration of the kinds of financial transactions requiring prior appropriation act approval.

Placing appropriation act limits on monetary credits would establish limits on the total amount of monetary credits that may be issued by an agency. However, such limits by themselves would not provide authority to use governmental funds--"budget authority"--for monetary credit activities. An "appropriation," as distinguished from an appropriation act limitation on monetary credit levels, would be necessary to provide this budget authority for monetary credit purposes. As discussed below, we also believe that "appropriations" of budget authority for monetary credits are needed when the credits may be redeemed at agencies authorized to retain their collections.

Additional appropriation actions needed

There is a need for the Congress, when considering and setting appropriation limitations on monetary credits, to also determine whether the future credit redemptions could reduce a redeeming agency's retained collections. This would depend upon possible uses of the credits as set forth in the relevant monetary credit authorizing legislation. If there is a potential for reducing retained collections, there is need for the Congress to appropriate budget authority in the amount of the limitation for restoring an agency's retained collection's when reduced by a credit redemption. The appropriation would be to the agency authorized to issue the credits, and it would remain available in a budget account of that agency for making a restoring cash outlay to any agency (including itself) that experiences a reduction in retained collections upon credit redemption.

Such restoring outlays are needed to "keep whole" the retained collections and potential budgetary resources of redeeming agencies. Each agency includes estimates of its future collection levels in its budget submitted to OMB and the Congress for approval. Appropriations of budget authority to replace lost collections would restore and maintain a redeeming agency's approved budget, and permit it to carry out its programs as approved by the Congress.

This appropriations-to-restore procedure also would provide the budget recognition "tag"--i.e., "budget authority"--needed for including monetary credit activities within the budget's totals, and the controls of the annual congressional budget resolutions. This would be advisable because monetary credits have definite budgetary effects at the time of redemption, and consequently should be controlled by the congressional budget process.

We note that OMB, in its budget documents for fiscal years 1985 and 1986, used a budget reporting procedure for monetary credits that would, in effect, accomplish the above-discussed aims of keeping whole the budgetary resources of redeeming accounts, and providing a budget authority tag to assure inclusion of monetary credit activities in the budget totals and controls. However, the OMB procedure is not the appropriations-to-restore procedure we are suggesting in this paper.

The OMB procedure entails treating monetary credits in budget documents as if they were cash amounts, both when issued and when redeemed. Credit issuances are treated as cash expenditures and recorded as budget "outlays," in spite of the fact that no government funds are expended; and, likewise, credit redemptions are treated as a return of the cash to the government and recorded in the redeeming accounts as "collections," even though no funds are received by the government. By recording redemptions as if they were actual collections, the agency restores in its budget records the collections it loses when it accepts monetary credits in lieu of cash. Its budget is kept whole, permitting the agency to incur obligations as it would have in the absence of monetary credits.

Also, the OMB credits-as-cash procedure entails recognition in budget schedules of "budget authority" for the authorized "outlays," thereby assuring inclusion of monetary credit amounts in the budget's totals and the controls of the congressional budget process.

The credits-as-cash procedure adopted by OMB has some merit, and represents a step toward improved budget treatment of monetary credits. It keeps whole for budget purposes the collections of redeeming agencies, and provides for the inclusion of monetary credit amounts within the budget's totals and the controls of the congressional budget process. However, the procedure represents a departure from a present general budgetary convention, namely the cash basis of most outlays and collections. This departure produces certain distortions in the budget's reported totals.

Recording monetary credit issuances as outlays, even though no cash expenditures are made, overstates actual (cash) outlays and lessens the meaningfulness of outlay totals as a key measure of the use of governmental funds. Also, overstated outlays artificially increase the budget's reported deficit, adding an element of complexity and confusion to that important measure. Similarly, recording redemptions as collections, even though no cash is received, overstates actual (cash) collections and artifically decreases the budget's reported deficit.

While we recognize that there are instances of non-cash outlay recordings in the budget, we believe that ad hoc departures from the budget's general cash basis should be minimized in order to maintain consistency in the meaning of the budget's numbers, and minimize any discrepancy between the reported deficit and the borrowing requirements of the government.

We therefore would prefer the appropriations-to-restore approach discussed above, rather than OMB's credits-as-cash approach. The former would be more consistent with the budgetary concepts and practices generally followed in federal agencies. Consistency in financial management (including budgeting) terms and usages minimizes confusion about the meaning of reported amounts, and facilitates valid comparisons and the setting of budget priorities among programs.

While appropriations-to-restore could be made in the absence of permanent legislation requiring such appropriations, we believe that permanent legislation requiring this would be advisable. Monetary credits are relatively new kinds of financial transactions, and their effects on the budget are not widely understood. Permanent legislation would assure that budget authority is appropriated for restoring agency retained collections when reduced by redemptions. This budget authority "tag" also would assure inclusion of the monetary credit in the controls of the congressional budget process. We think that any such permanent legislation should be an amendment to the Congressional Budget Act of 1974. This would be especially suitable if the 1974 Act also is amended to require appropriation act limitations on monetary credits, discussed earlier in this report.

RECOMMENDATION

We recommend that the Congress amend the Congressional Budget Act of 1974 to provide that it shall not be in order for either the House of Representatives or the Senate to consider any monetary credit bill or resolution unless it includes . . .

--a provision stating that the monetary credit authorization is to be effective only to the extent or in such amounts as are provided in appropriation acts, and

--in any such bill or resolution whose credits when redeemed could reduce collections retained by an agency, a further provision requiring before credit issuance an appropriation (budget authority) to restore retained collections that are reduced by redemptions.

AGENCY COMMENTS

We provided a draft of this report to the following agencies for their review and comment:

--Congressional Budget Office,

--Department of the Interior,

--Department of the Treasury,

--General Services Administration, and

--Office of Management and Budget.

These are the offices and departments that have had experience in administering or making budget reports on the monetary credits laws we examined. Their oral comments and our responses follow.

Congressional Budget Office

Officials of CBO stated that the report is good overall, and that its recommended appropriations-to-restore procedure, entailing cash outlays to restore the reduced collections of redeeming agencies, is consistent with the existing general cash basis of the budget's outlays. They felt, however, that the appropriations-to-restore procedure would be after-the-fact and provide little budget control over monetary credits. They would prefer a recommendation for legislation to eliminate altogether the monetary credits procedure. Purchases should be made instead with cash outlays, the usual method. Short of eliminating monetary credits, they would favor a procedure requiring referral of all monetary credit bills to the budget and appropriations committees for comment, to enhance the visibility and scrutiny of monetary credits in the budget process.

GAO response

We think that the appropriations-to-restore procedure would provide significant before-the-fact (before credit issuance) budget control over monetary credits, especially as it is outlined in this final report. The draft reviewed by CBO proposed that the Congress make such appropriations when setting limits on credit issuances, but the draft did not recommend that such appropriations be made a requirement of permanent legislation. Therefore, there was a potential that appropriations-to-restore would not be made, or not be made before credit issuance. The final report's recommendation for permanent legislation addresses this matter, and would provide assurance of before-the-fact budget control.

Implementation of this recommendation would provide direct appropriations and budget committee controls over monetary credits. The appropriations committees would initiate legislation setting limits and appropriating budget authority, while the budget committees' resolutions, when adopted, would set overall totals limiting the budget authority totals, including those for monetary credits. Such direct controls would greatly lessen or even obviate the need for referral of monetary credit bills to those committees for their review and comment.

As for CBO preferring a GAO recommendation for eliminating the monetary credits procedure and making only cash purchases, our report states a preference for cash purchases from the standpoint of assured budget control (pages 1-2). However, we stop short of recommending eliminating the monetary credit procedure because we must acknowledge for now that there might be programmatic or economic considerations sufficiently compelling in certain cases to warrant the monetary credit procedure. Such determinations would have to be made on a case-by-case basis, and would involve detailed analysis of programmatic objectives and the economics of alternative methods of acquiring property, namely simultaneous exchanges of propriety, monetary credit acquisitions cash purchases, and possible other methods. It was not within the scope of this study to perform detailed analyses of each of the identified monetary credit bills and laws.

<u>Department of the Interior</u>

Officials of DOI agreed with the report's recommendation for appropriation limits and appropriations to restore reduced collections at the time of redemption. Moreover, they expressed a preference for the appropriations-to-restore procedure, entailing cash outlays to restore collections when reduced by redemptions, over the current OMB procedure for recording outlays for credit issuances and collections for credit redemptions. As they understood it, the GAO-recommended appropriations-to-restore procedure would better present the budget impact of monetary credits, and also solve some accounting problems experienced by DOI under the OMB procedure of treating credit issuances and redemptions as if the credits were cash.[6]

---

[6]DOI officials subsequently explained that the procedure produces anomolies in their accounting records, e.g., disbursement recordings for non-disbursement transactions.

DOI officials added that, in their view, the Department of the Treasury should be responsible for handling monetary credit redemptions and reporting on unredeemed credits just as that department does on the redemptions and balances of regular debt instruments of the U.S. Government. This responsibility now lies principally with the agency that issues the credits.

GAO response

We can understand why DOI's accounting records reveal anomolies under the OMB procedure. The appropriations-to-restore approach recommended in this report would preclude anomolies of the sort found in DOI's records (see the footnote on page 10). There would be no outlay (disbursement) recordings for the non-cash monetary credits. The recordings would be consistent with general budget and accounting practices.

On the role of Treasury in handling redemptions and reporting on monetary credit balances, we have been informed by Treasury officials that they have not assumed this responsibility because the credits under current procedures do not require Treasury actions in borrowing or disbursing cash. Though unredeemed credits represent a form of government debt, there is no Treasury financial involvement in terms of borrowing and repaying funds in the securities markets, or providing funds for monetary credit activities.

We have not addressed the proper role of the Treasury in handling redemptions and reporting on credit balances. We cannot say at this time how much responsibility Treasury should assume for computing interest amounts on unredeemed credits, processing monetary credit agreements and redemptions, and performing other administrative tasks concerning monetary credits. This would require a separate study.

It is clear, however, that given the budgetary effects of monetary credits, there should at least be government-wide tracking and consolidated reporting to disclose the full magnitude of all monetary credit activities. OMB officials state that they intend to include all monetary credit activities in the budget under their approach. This would constitute useful tracking and reporting at the government-wide level. Furthermore, implementation of our appropriations-to-restore procedure would increase the Treasury's responsibilities, because the Treasury then would have to track the balances of unused appropriations and report on the uses made of those appropriations to restore the accounts of redeeming agencies.

Department of the Treasury

Treasury officials agreed that monetary credits are a form of backdoor spending unless controlled in the budget process. They further stated that the question of how to treat monetary credits in the budget is a matter essentially for OMB policy determination, and that Treasury has no objection to the current OMB policy on treating monetary credits. They stated that they have no problem with the technicalities of administering cash control under the OMB approach because they can readily distinguish between regular outlays involving cash disbursements from the Treasury and monetary credit outlays not entailing actual cash disbursements.

GAO response

While the OMB procedure may not add significant technical complications to Treasury's cash managements procedures it adds an element of complexity and confusion to the general cash basis of the budget's reported outlay and deficit totals. Treating credit issuances as outlays overstates actual (cash) outlay and deficit levels, while treating redemptions as collections overstates actual (cash) collections and artificially decreases the budget's reported deficit. In order to maximize public and congressional understanding of the budget, with its general cash basis, the government should avoid reporting procedures that increase any discrepancy between the reported deficit and the borrowing requirements of the government.

General Services Administration

Officials of GSA stated that the report has a great deal of merit, and that they agree in principle with the report's recommendation for appropriations to keep whole the budget resources of redeeming accounts. They noted, however, that the draft was not explicit on how the appropriations-to-restore procedure would work, "mechanically," to assure agencies such as GSA that they would indeed get restorations of the cash collections lost through redemptions. Specifically, they wondered whether the draft's description of the appropriations-to-restore procedure as one that restores "budgetary resources" would be inclusive enough, namely to include restorations of lost cash collections prior to the collections being made usable budgetary resources by annual appropriations actions.[7]

[7]GSA officials subsequently explained that they were referring specifically to the surplus property disposal collections of GSA's Federal Property Resources Service (FPRS), which do not become actual budgetary resources for FPRS until released for FPRS use in annual appropriation acts.

GAO response

When our earlier draft proposed appropriations-to-restore the "budgetary resources" of redeeming agencies, it was intended that this meant replacing lost cash collections irrespective of whether additional legislative actions, including appropriations actions, are needed to release the collections for agency use. This may not have been clear, however, in all of the earlier draft's discussions of the appropriations-to-restore procedure.

To make this more clear, the draft's discussions of the appropriations-to-restore procedure were rewritten to emphasize that the appropriations would be used to replace lost collections. Our objective was, and is, to maintain the retained collections base of agencies that redeem credits. We think that these changes would preclude any significant budget mechanics impediments to implementing our proposal.

Office of Management and Budget

Officials at OMB stated their agreement with the notion of subjecting monetary credits to appropriations controls, but under a procedure that treats credit issuances as outlays derived from budget authority--i.e., the current OMB procedure. They are of the opinion that the report's appropriations-to-restore procedure would be awkward, and would not provide real budget control over monetary credits.

Furthermore, they stated that the current OMB procedure, entailing outlay recordings for monetary credit issuances, is consistent with budget concepts and practices. Cash equivalent transactions have been included in the budget for years, their inclusion has been explained in the budget documents (see pages 7-10 of the 1986 Budget and page E-19 of that budget's Special Analyses), and their treatment as outlays is recognized in the Glossary of Terms Used in the Federal Budget Process.

Finally, to fail to treat cash-equivalents as cash would result in understating outlays and receipts merely because an instrument other than dollars or Treasury checks was used.

GAO response

We do not agree that the report's appropriations-to-restore procedure would be awkward. Indeed, we feel that it would be a more understandable and straight forward method of treating monetary credits. The purpose of the appropriations would be clear, and there are well-established budget and accounting procedures for recording appropriated amounts and the resultant outlays. The procedure would preclude the accounting anomolies referred to by DOI officials.

We also think that our recommended appropriations-to-restore procedure would provide strong budget control, especially as we have formulated it in the final report. The final report recommends making such appropriations, prior to credit issuance, a requirement of the Congressional Budget Act of 1974. This would assure comprehensive budget process control over monetary credits.

The OMB procedure, which records outlays for the non-cash monetary credit issuances and redemptions, does have some precedents in current practice. For example, Federal Housing Administration debenture issuances are recognized as outlays. Furthermore, it is correct that outlay recordings for certain cash-equivalent transactions are noted and briefly discussed in the Budget and Special Analyses documents, and that the Glossary of Terms Used in the Budget Process recognizes that there are such outlay recordings.

However, such recordings are the exception to the general rule of a cash basis for budget outlays. We continue to believe that ad hoc departures from the general rule should be minimized. Departures lessen the consistency in the meaning of the budget's numbers. This in turn lessens public and congressional understanding of the budget, and hampers valid comparisons and the setting of priorities among programs.

We also do not agree that failing to treat cash-equivalents as cash would result in understating outlays and receipts, because the budget is essentially on a cash basis, not a cash-equivalent basis. Most outlays and receipts represent cash transactions. As a result, any annual deficit reflects mainly cash transactions, and this cash-based deficit is the principal determinant of the actual borrowings of the government.

Restricting outlay recordings as a general rule to cash transactions minimizes any discrepancy between the reported deficit and the government's borrowing activities in financial markets. We think that it is important for the budget's reported deficit to have as clear and unambiguous meaning as possible. This is achieved by avoiding where possible a mixture of cash and non-cash concepts in computing budget outlays.

DISTRIBUTION OF REPORT

We are providing a copy of this report to former Chairman Jones, and to the chairman of the Senate Committee on Energy and Natural Resources, for whom we conducted a study (on U.S. eastern wilderness areas) that produced information used in the report.

Copies also are being sent to the chairman of the House Committee on Interior and Insular Affairs, the chairmen of the House and Senate Committees on Appropriations, the chairman of the Senate Committee on the Budget, and the chairmen of the Senate Committee on Governmental Affairs and House Committee on Government Operations. We also are sending copies to the heads of the agencies who previously received the draft for advance review and comment.

Sincerely yours,

Frederick D. Wolf
Director