



B-150004

JUN 21 1977

Released

The Honorable John M. Murphy, Chairman  
Committee on Merchant Marine and Fisheries  
House of Representatives

Dear Mr. Chairman:

Reference is made to your request for our comments on H.R. 7086, 95th Congress, which would create a National Zoological and Aquarium Corporation to provide assistance in improving zoos and aquariums.

Our Office generally views with disfavor the establishment of a corporation to perform functions which could be vested in an established department of the Government. We believe the public interest is best served when congressional control over activities is exercised through annual reviews and affirmative action on planned programs and financing requirements which attend the appropriation processes, and through the application of statutes and regulations which usually govern the operations of Government agencies. The Committee may wish to consider vesting the functions covered by the bill within the framework of an established department of the executive branch, possibly the Department of Agriculture.

Under provisions of the Animal Welfare Act of 1970, approved December 24, 1970, Public Law 91-579, 84 Stat. 1560, the Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) establishes and enforces minimum standards for the care and handling of animals used for research, experimentation, exhibition, or sale as pets. Zoos, carnivals, and circuses are some of the organizations that must comply with such standards. APHIS personnel inspect zoos and other animal display facilities twice a year to determine whether the minimum standards are being met. APHIS's regulations cover certain warm-blooded animals. Cold-blooded animals, aquatic animals, and birds, horses, ponies, farm animals, rats and mice are exempt.

Section 6 provides for the Corporation to establish standards for national accreditation of zoos and/or aquariums, including roadside parks where animals are displayed in their natural habitat. If the Committee decides not to vest the functions covered by the bill within the Department of Agriculture, we suggest that the bill be amended to

require the Corporation to coordinate its proposed standards with those already established by the Department. We suggest also that the Committee consider including a provision in the bill directing the Corporation to coordinate its activities with APHIS's efforts to protect animals.

The following comments would also be applicable if the Committee decides to create a corporation to carry out the purposes of H.R. 7086.

The bill contains several references to the provisions of the Government Corporation Control Act, but does not make the Corporation subject to the act. We believe that the Corporation should be made subject to the act, thereby making the budget and audit requirements of the act applicable to its activities. If the Corporation were made subject to the act, section 14 and the references to the act in section 11(b) should be deleted from the bill. If the Corporation is not made subject to the act, we strongly recommend that section 14(a) of the bill be amended by deleting from line 25, page 13, the words "each Government fiscal year" and substituting therefor "in every three years" in order to conform with the existing audit requirements of the act.

Section 4(a)(2) would designate the Comptroller General as an ex-officio member of the Board of the Corporation. We believe that assigning the Comptroller General management and administrative responsibilities in an agency of the executive branch would be incompatible with his responsibilities to review and audit the activities of the executive departments and agencies. We recommend that section 4(a)(2) be deleted.

Section 11(b) provides that issuance of obligations by the Corporation shall be subject to the requirements of sections 102 and 104 of the Government Corporation Control Act (31 U.S.C. 847-849) and of no other law. This would exempt the Corporation from the requirements of the Federal Financing Bank Act of 1973 (87 Stat. 937). The purpose of this act is to assure coordination of Federal borrowing programs with the overall economic and fiscal policies of the Government, to reduce the cost of Federal borrowings from the public, and to assure that such borrowings are financed in a manner least disruptive of private financial markets and institutions. The Committee may wish to revise sections 11, 12, and 13 of the bill in a manner consistent with the provisions of the Federal Financing Bank Act of 1973.

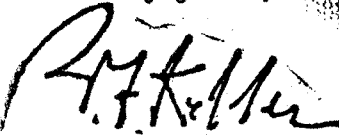
The bill does not provide that the Board of the Corporation and the Comptroller General shall have access to the pertinent books, records, documents, etc., of the recipients of financial assistance for the purpose of making audits and examinations. We believe that a provision for

the maintenance of records and for access thereto should be included in the bill. This can be accomplished by adding a new section to the bill to read as follows:

"Sec. (a) Each recipient of Federal assistance under this Act, pursuant to grants, subgrants, contracts, subcontracts, loans or other arrangements, entered into other than by formal advertising, and which are otherwise authorized by this Act, shall keep such records as the Board shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Board and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which in the opinion of the Board or the Comptroller General may be related or pertinent to the grants, contracts, subcontracts, subgrants, loans, or other arrangements referred to in subsection (a)."

Sincerely yours,



**Deputy** Comptroller General  
of the United States