



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

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B-205053

June 9, 1982

To the President of the Senate and the
Speaker of the House of Representatives

On March 25, 1982, our Office reported a deferral of \$216,520,000 in budget authority provided for the Coast Guard's acquisition, construction, and improvement (AC&I) account which should have been, but was not, reported to Congress by the executive branch pursuant to the provisions of the Impoundment Control Act, 31 U.S.C. §§1401 et seq.

As indicated in our March 25 report, section 406 of the Department of Transportation Appropriation Act, 95 Stat. 1466, alters the normal operation of the Impoundment Control Act by in effect applying the procedural aspects of the Act normally applicable to proposed rescissions to any deferrals submitted for the accounts specified in section 406, including the AC&I account. Thus, the deferred funds could be withheld from obligation only during the 45-day statutory period, unless Congress acted to approve all or part of the deferral. As of May 27, 1982, the date on which the 45-day period expired, Congress had not passed a bill approving the deferral. Accordingly, the funds must now be made available for obligation.

The basis of our conclusion that funds are being deferred was that the funds were programmed to apply to fiscal year 1983 requirements, an action contrary to the Coast Guard's usual practice and taken in anticipation of a reduced fiscal year 1983 budget request. We have been advised that a plan to use the funds in fiscal year 1982 was submitted by the Coast Guard to OMB on May 21. OMB staff members have indicated that OMB's approval is a prerequisite to implementation of the plan, and that approval has not yet been granted. However, it is our understanding that OMB is expediting its review of the Coast Guard plan. We are monitoring the situation and if approval is not granted and implementation of the program plan is not begun shortly, our Office will begin appropriate action to ensure that the funds are made available for obligation in compliance with the Impoundment Control Act.

for *Milton J. Fowler*
Comptroller General
of the United States



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