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94*th* CONGRESS, FIRST SESSION

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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1976

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

H.R. 6950

AN ACT MAKING APPROPRIATIONS FOR THE LEGISLATIVE BRANCH FOR THE FISCAL YEAR ENDING JUNE 30, 1976, AND FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations

PART 2—(Pages 799–1543)



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SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS

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Staff Assistants, Legislative Branch

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1976

FRIDAY, APRIL 18, 1975

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room S-126, the Capitol, Hon. Ernest F. Hollings (chairman) presiding.

Present: Senators Hollings and Schweiker.

COST-ACCOUNTING STANDARDS BOARD

STATEMENT OF ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES, CHAIRMAN

ACCOMPANIED BY:

ARTHUR SCHOENHAUT, EXECUTIVE SECRETARY
HARRY R. VAN CLEVE, GENERAL COUNSEL

BUDGET REQUEST

Senator HOLLINGS. The subcommittee will please come to order.

This morning we will begin with the smallest agency in our bill, the Cost Accounting Standards Board. The request for fiscal 1976 is $1,650,000, an increase of $22,000 above the amount currently appropriated.

The distinguished Comptroller General of the United States, Hon. Elmer B. Staats, Chairs the Board. He is accompanied by Arthur Schoenhaut, Executive Director, and Harry R. Van Cleve, General Counsel of the Board.

Mr. Staats, we will be glad to hear from you at this point on the Cost Accounting Standards Board.

Mr. STAATS. With your permission, Mr. Chairman, I will ask Mr. Schoenhaut if he will make the presentation.

Senator HOLLINGS. Yes.

PREPARED STATEMENT

Mr. SCHOENHAUT. With your permission, we will put the whole statement in the record. I will summarize it.

Senator HOLLINGS. I am for that 100 percent. Everybody in the room stand up and clap. This Congress has gone wild over listening to long, long statements and time just goes by. In HEW, we literally sat here and listened last year to 444 witnesses, plus all of the other statements and everything else.

We are going to cut that somehow to 100, and get some of this other work out. We sit around and listen and listen and then we are blamed for not listening to anybody.

[The statement and attachments follow:]

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I am appearing before you today in my capacity as Chairman of the Cost Accounting Standards Board to discuss the budget estimates for Board operations during Fiscal Year 1976.

The terms of the four members who first served with me on the Board expired on February 8, 1975. These were Mr. Herman W. Bevis, who was Senior Partner of Price Waterhouse & Company, Certified Public Accountants; Mr. Robert K. Mautz, who is currently a Partner in the firm of Ernst & Ernst, Certified Public Accountants; Mr. Charles A. Dana, who is Director of Government Accounting Controls of Raytheon Company; and the Honorable Robert C. Moot who was Assistant Secretary (Comptroller) of the Department of Defense. On March 25, 1975, I appointed four Board members to serve for the next four years. I reappointed Mr. Bevis and Mr. Mautz to second terms. The Honorable Terence E. McClary, now the Assistant Secretary of Defense (Comptroller), was appointed to succeed Mr. Moot; and Mr. John W. Walker, Vice President and Controller of Texas Instruments, Incorporated, was appointed to succeed Mr. Dana.

Mr. Arthur Schoenhaut is the Executive Secretary of the Board. He serves as director of a professional staff, presently numbering 24, and a total staff of 37.

Our budget estimate for Fiscal Year 1976 is $1,650,000. This amount is $22,000 more than was appropriated for Fiscal Year 1975. This small increase will help us absorb the continuing effect of Federal pay increases.

Before describing the details of our budget estimate, I would like first to review briefly for you the Board's activities to date.

The Board has promulgated nine Cost Accounting Standards and implementing regulations. Seven of the Standards are in effect and are required to be included in negotiated defense contracts covered by

Public Law 91-379. Two additional Standards will become effective on July 1, 1975.

The nine Cost Accounting Standards promulgated by the Board to date are:

No. 401 Consistency in Estimating, Accumulating, and Reporting Costs

No. 402 Consistency in Allocating Costs Incurred for the Same Purpose

No. 403 Allocation of Home Office Expenses to Segments

No. 404 Capitalization of Tangible Assets

No. 405 Accounting for Unallowable Costs

No. 406 Cost Accounting Period

No. 407 Use of Standard Costs for Direct Material and Direct Labor

No. 408 Accounting for Costs of Compensated Personal Absence

No. 409 Depreciation of Tangible Capital Assets

The Board has also solicited comments from the general public on a proposal for Standard No. 410, dealing with allocation of business unit general and administrative expenses to cost objectives, and a proposal for Standard No. 411, concerned with accounting for acquisition costs of material. Comments submitted to the Board on these proposals are being analyzed prior to Board consideration of whether to go forward with promulgation of Cost Accounting Standards on the two subjects.

In addition, the Board has designed a Disclosure Statement of cost accounting practices which contractors must submit to the Government as a condition of contracting. These Disclosure Statements require major defense contractors to describe the principal practices they will follow for applicable negotiated defense contracts. Initially, each contractor who received negotiated prime defense awards in excess of $30 million in Fiscal Year 1971 was required to submit a Disclosure Statement. The Board amended that regulation to provide that, beginning

April 1, 1974, Disclosure Statements were also required from companies who received in excess of $10 million of negotiated prime defense contracts of the kind subject to the Board's jurisdiction in either Fiscal Year 1972 or Fiscal Year 1973. The Board has recently published a proposed amendment to its regulations on the Disclosure Statement which, if adopted, would require firms which received $10 million of such awards in Fiscal Year 1974 or 1975 and in subsequent years to file Disclosure Statements as a condition of contracting.

As of March 31, 1975, the Board had received copies of 1,260 Disclosure Statements from 155 multi-divisional companies required to make disclosure to the Government of cost accounting practices. The Board has established a computerized data bank into which are placed the responses contained in every Disclosure Statement received. We have the capacity now to provide aggregate data with respect to any question or combination of questions covered by the Disclosure Statement. This data bank is of considerable assistance to the Board in its research into possible Standards.

The Board is working on a number of other subjects, many of which we believe will culminate in Cost Accounting Standards. I have attached as Appendix A to this statement a brief description of ten subjects on which the Board has authorized research and development looking toward the potential promulgation of Standards.

The task of issuing sound, fair Cost Accounting Standards is exceedingly complex. To assist the Board in achieving its objectives, the Board has continued its policy of seeking the cooperation of all those who have an interest in its work. The Board has established active, open consultations with representatives of all groups, including Government agencies, professional and industry associations, the academic community, and representatives of individual companies. Participation on both an individual basis and an organizational basis has been excellent. There

are now more than 1,500 organizations and individuals to whom Board proposals and promulgations are regularly mailed during the course of the Board's research. These organizations and individuals generally have provided constructive reviews and comments on Board materials.

Recognizing that training in its regulations and newly issued Standards could materially assist both industry and Government, the Board actively participated in programs under which training in its materials is provided to interested persons through the established training programs of the Civil Service Commission, the Army Logistics Management Center, the American Institute of Certified Public Accountants, and the National Contract Management Association. In addition, Board Members and staff speak to interested groups and participate in panels, conferences, and the like, most of which are sponsored by accounting or legal professional associations or by industry associations. These occasions have afforded opportunities to provide interested parties with information about the Board and also to answer questions and to discuss concerns about the Board Standards and regulations.

The Board has also worked cooperatively with Federal agencies in the development of regulations implementing Cost Accounting Standards and pertinent Board rules and regulations. The original three principal relevant agencies--the Department of Defense, the National Aeronautics and Space Administration, and the Atomic Energy Commission (now the Energy Research and Development Administration)--have all issued implementing regulations. The General Services Administration in its publication of the Federal Procurement Regulations has also provided that the Board's Standards, rules and regulations, as a matter of policy, shall be extended to most of the negotiated contracts of the civilian executive agencies. The result of this coordination is that the regulations of all agencies are generally parallel in structure and content.

During the Fiscal Year the Board completed a study leading to establishment of a contract threshold amount below which the Board's Standards and regulations need not be followed. The Board decided to increase the exemption from the statutory limit of $100,000 to $500,000. The increase became effective January 1, 1975. Based on DOD statistics, the Board estimates that about 70 percent of the companies receiving prime contract awards representing only about ten percent of the total dollar value of annual DOD contract awards, will be exempt. Contractors who do not receive a covered contract in excess of $500,000 can, however, elect to comply with Board Standards and regulations.

Turning now to our request for appropriations, our budget estimate of $1,650,000 for Fiscal Year 1976 will be allocated as follows:

$1,172,000 for salaries and related benefits of the members of the Board, permanent professional staff, part-time consulting assistants, and supportive clerical staff. The increase of $35,000 over the amount projected for Fiscal Year 1975 covers the continuing effect of Federal pay increases.

$100,000 for travel of Board members and staff; an increase of $5,000 over the amount projected for Fiscal Year 1975.

$200,000 for contractual services, computer services, and reimbursement to other Government agencies for administrative and personnel services; a reduction of $33,000 in the amount projected for these services in Fiscal Year 1975.

$178,000 for costs of space and services furnished by GSA, communications, utilities, printing and reproduction, supplies, materials, and equipment. The $15,000 increase over the amount projected for Fiscal Year 1975 represents cost increases in printing and reproduction.

The amount for salaries covers 42 permanent positions. I am pleased to point out that since inception of operations of the Board in January 1971, we have been able to absorb, within the amounts appropriated, all of the Federal salary increases that have been enacted.

Our travel estimate reflects our belief that there will be a continuing need for extensive field trips to perform research and development of possible Cost Accounting Standards. We must travel to obtain on-site information at contractors' offices and plants regarding cost accounting practices if we are to assure that Standards give due consideration to the requirements and views of contractors, as well as those of the Government.

The estimate for other services includes anticipated costs of some contract services and reimbursements to other Government agencies for use of computers and personal services in support of research and development of Cost Accounting Standards and administrative services.

This statement covers, in general, a summary of the Board's activities, the areas in which we propose to cintinue our research for development of possible Cost Accounting Standards and our budget estimate for Fiscal Year 1976. I will be glad to answer any of your questions.

APPENDIX A

CURRENT STUDIES

Selection of specific areas for research and possible development of Cost Accounting Standards is based primarily on (1) relationship to the objectives of Public Law 91-379, (2) significance of observed costing problems, and (3) relationship to other work of the Board. The Board has sought and obtained advice about the importance of various problems which are involved in contract cost accounting. The research projects selected are at various stages of development and may result in one or

more Standards on each subject. Preliminary proposals and research papers have been widely circulated for some subjects, and not for others.

1. Pension Costs--This subject covers the problems pertinent to accounting for costs of contractor pension plans, including the allocation of these costs to contracts.

2. Allocation of Manufacturing, Engineering and Comparable Overhead--The research effort on this subject covers allocation of pools of indirect costs such as manufacturing and engineering overhead.

3. Cost of Capital--Research on this subject covers consideration of the cost accounting treatment of the cost of capital employed in contract performance.

4. Inflation Accounting--This research involves a study of concepts and practices for cost measurement in times of changing price levels.

5. Direct Materials Not Incorporated in Contract End Items--This subject covers consideration of the accounting treatment for such items as scrap, manufacturing wastes, and rejected work.

6. Deferred Incentive Compensation--This research study involves inquiry into criteria for cost accounting techniques related to contractor profit-sharing and bonus arrangements.

7. Termination Accounting--This subject is being explored with contractors and Government agencies to ascertain appropriate accounting principles and practices applicable to contracts which are terminated for the convenience of the Government.

8. Direct and Indirect Charging--This study covers the accounting concepts and principles governing consistent classification of costs as direct or indirect, for purposes of allocation to cost objectives.

9. Standard Costs for Service Centers--This subject deals with the use of standard costs in estimating, accumulating and reporting contract costs for service centers.

10. Independent Research and Development and Bid and Proposal Costs--Research of this subject deals with the accounting treatment to be accorded to a contractor's cost of performing independent research and development and its cost of preparing bids and proposals for Government contracts.

SALARIES AND EXPENSES

For expenses of the Cost Accounting Standards Board necessary to carry out the provisions of Section 719 of the Defense Production Act of 1950, as amended (Public Law 91-379, approved August 15, 1970), [$1,628,000], $1,650,000. (Legislative Branch Appropriation Act, 1975.)

Justification of Estimates

Fiscal Year 1976

Section 103, title I, of the 1970 amendment (Public Law 91-379) to the Defense Production Act of 1950, established as an agent of the Congress a Cost Accounting Standards Board. This legislation provides that the Board shall consist of the Comptroller General of the United States who shall serve as Chairman and four other members appointed by the Comptroller General. The Act empowers the Board to appoint an Executive Secretary at a rate of compensation not to exceed the rate prescribed for level IV of the Federal Executive Salary Schedule.

In January 1971, the Comptroller General appointed four members to serve on the Cost Accounting Standards Board and in March 1971 he appointed an Executive Secretary.

The enabling legislation provides that three Board members appointed from private life will receive compensation at a rate of one two-hundred-sixtieth of the rate prescribed for Level IV

($38,000 per annum) of the Federal Executive Salary Schedule for each day in which he is engaged in the actual performance of duties vested in the Board. The enabling legislation also provides that the Comptroller General (who serves as Chairman) and one member to be named from Government would continue to receive the compensation of his regular position from the agency employing him.

The principal function of the Board is to develop and promulgate Cost Accounting Standards designed to achieve greater uniformity and consistency in the cost accounting practices followed by defense contractors and subcontractors under negotiated defense procurements in excess of $100,000. The Standards, rules, and regulations promulgated are to be followed in estimating, accumulating, and reporting costs of defense contracts.

The budget estimate for Fiscal Year 1976 is $1,650,000. This estimate is $22,000 more than the amount appropriated in Fiscal Year 1975.

Object Classification

		1974 Actual	1975 Estimate	1976 Estimate
		(In thousands of dollars)		
Personnel compensation:				
11.1	Permanent positions	$ 879	$1,017	$1,050
11.3	Positions other than permanent	38	40	40
	Total personnel compensation	917	1,057	1,090
12.1	Personnel benefits: Civilian employees	69	80	82
21.0	Travel and transportation of persons	45	95	100
22.0	Transportation of things	1	-	-
23.0	Rent, communications, and utilities	30	120	120
24.0	Printing and reproduction	2	20	35
25.0	Other services	230	233	200
26.0	Supplies and materials	4	10	10
31.0	Equipment	2	13	13
99.0	Total obligations	$1,300	$1,628	$1,650
	Unobligated balance lapsing	200	-	-
	Budget authority	$1,500	$1,628	$1,650

An explanation of our fund requirements by object classification follows:

11.1 Permanent Positions. This estimate covers the salary costs for 42 permanent positions in Fiscal Year 1976. These positions include three Board members, and Executive Secretary (at level IV), 25 other professional positions, and 13 supportive clerical positions. The increase shown for this object results from a pay increase and an annualization of positions filled this year.

12.1 Civilian Personnel Benefits. This estimate covers the Board employer contributions to the retirment, life insurance and health benefit funds.

21.0 Travel and Transportation of Persons. This estimate covers the cost for travel of the Board and its staff to obtain

on-site information of contractors' offices and for attendance at meetings and conferences regarding Board programs.

23.0 Rent, Communications, and Utilities. This estimate covers the costs of space and services furnished by the General Services Administration, equipment, telephones, postage, etc.

24.0 Printing and Reproduction. This estimate covers the cost of day-to-day printing requirements, i.e., stationery, envelopes, etc., and the cost of publishing Cost Accounting Standards, rules, and regulations promulgated by the Board. Our estimated cost has been increased because of an anticipated increase in the volume of printing and reproduction and because printing costs have been rising rapidly and the Government Printing Office has indicated that we may expect additional significant increases in the near future.

25.0 Other Services. This estimate covers the costs for contract services and reimbursements to other Government agencies for administrative and personal services.

26.0 Supplies and Materials. This estimate covers the cost of day-to-day operating supplies and materials.

31.0 Office Furniture and Equipment. This estimate provides for the cost of typewriters, adding machines, calculators and other office machines and for office furniture, technical books and publications.

SUMMARY OF STATEMENT

Mr. SCHOENHAUT. Our budget estimate for 1976 is $1,650,000. That amount is $22,000 more than was appropriated for fiscal year 1975. This relatively small increase will help us absorb the continuing effect of Federal pay increases.

The Board has promulgated nine cost accounting standards to date, plus implementing regulations. Seven of the standards are in effect and are required to be included in the negotiated defense contracts covered by Public Law 91–379.

Two additional standards will become effective on July 1, 1975. I won't go into the details of the nine Standards that are listed on pages 2 and 3 of the prepared testimony.

The Board has also solicited comments from the general public on a proposal for standard No. 410, dealing with the allocation of business unit general and administrative expenses to cost objectives, and a proposal for standard No. 411, concerned with accounting for acquisition costs of material.

Comments on both of these proposals are being analyzed before the Board considers whether to go forward with the promulgation of Standards on the two subjects.

DISCLOSURE STATEMENTS

In addition, the Board has designed a Disclosure Statement covering cost accounting practices, which contractors must submit to the Government as a condition of contracting. Initially, each contractor who received negotiated prime defense contract awards in excess of $30 million in fiscal year 1971 was required to submit a Disclosure Statement.

The Board, as of April 1, 1974, amended that regulation so that Disclosure Statements are also required from companies who received in excess of $10 million of negotiated prime defense contracts of the kind subject to the Board's jurisdiction in either fiscal year 1972 or fiscal year 1973.

We now have a proposal out to make the $10 million effective for awards in fiscal year 1974 and 1975 and for subsequent fiscal years.

As of March 31, 1975, the Board had received copies of 1,260 Disclosure Statements from 155 multi-divisional companies that are required to make disclosure to the Government of cost accounting practices.

Apart from the use of these Disclosure Statements by people negotiating and auditing contracts, the Board has established a computerized data bank into which are placed the responses contained in every Disclosure Statement received.

This data bank is of considerable assistance to the Board in its research into possible standards. The Board is also working on a number of other subjects, many of which we think will culminate in Cost Accounting Standards. A listing of those subjects is attached as appendix A to this statement.

COOPERATION WITH INTERESTED PERSONS

The job of issuing fair Cost Accounting Standards is exceedingly complex. To assist the Board in achieving its objectives, the Board has continued its policy of seeking the cooperation of all those who have an interest in its work.

There are now more than 1,500 organizations and individuals to whom Board proposals and promulgations are regularly mailed during the course of the Board's research.

BUDGET REQUEST

Turning now to the request for appropriations, our budget estimate of $1,650,000 for fiscal year 1976 will be allocated in essentially the following manner:

$1,172,000 for salaries and related benefits; the increase of $35,000 over the amount projected for fiscal year 1975 covers the continuing effect of Federal pay increases;

$100,000 for travel of Board members and staff; an increase of $5,000 over the amount projected for fiscal year 1975;

$200,000 for contractual services, computer services, and reimbursement to other Government agencies for administrative and personnel services; a reduction of $33,000 in the amount projected for these services for fiscal year 1975.

$178,000 is for costs of space and services furnished by GSA, communications, utilities, printing and reproduction, supplies, materials, and equipment. The $15,000 increase over the amount projected for fiscal year 1975 represents cost increases in printing and reproduction.

The amount for salaries covers 42 permanent positions. We don't anticipate any increase in permanent positions.

I am pleased to point out that since the inception of the Board's operations in January of 1971, we have been able to absorb, within the amounts appropriated, all of the Federal salary increases that have been enacted.

That about sums it up, Mr. Chairman. We will be happy to answer questions.

REPROGRAMMING OF FUNDS FOR EQUIPMENT

Senator HOLLINGS. Mr. Schoenhaut, on the increase for equipment, was not there savings from the amounts you originally estimated for 1975 in personnel benefits of $8,000; travel of $5,000; and other services of $17,000, that allowed you to finance an increase for equipment?

Mr. SCHOENHAUT. Some of that, yes, sir. The increase in equipment is only $8,000 in all for a total of $13,000 in both fiscal year 1975 and fiscal year 1976. In 1975 we expect to move within the General Accounting Office Building to physically get our staff together in one location and to get out of the way of some of the GAO divisions that are now physically separated. So some of the funds for equipment will be used in connection with that move.

DATA BANK

Senator HOLLINGS. What kind of information is contained in this computerized data bank that you mentioned?

Mr. SCHOENHAUT. It is the responses to a disclosure statement questionnaire that all contractors are required to fill out as a condition of contracting.

Senator HOLLINGS. Who maintains the bank and what safeguards are there to prevent someone tapping into the computer and obtaining proprietary information?

Mr. SCHOENHAUT. The computer system is at the Energy Research and Development Administration (formerly the Atomic Energy Commission), which is a secure location all in itself. They maintain the data bank for us and give us only aggregate information derived from the data bank system.

Senator HOLLINGS. So it would have to be an official request of your office to get that information?

Mr. SCHOENHAUT. Yes, sir.

Mr. STAATS. Mr. Chairman, we use the data coming out of this computer very heavily to do research on new standards we are considering.

There is a problem of confidentiality on the submissions themselves. The Board takes the position that when those statements were submitted as confidential information, we should protect them from disclosure. One of the public interest groups has now filed suit to get Disclosure Statements from three corporations.

The Government, of course, has contested that effort. We won the case initially in the District Court. It was appealed to the Court of Appeals and the Appeals Court has remanded it to the District Court to require the District Court to make a finding that there would be actual damage to the corporations' competitive positions if the statements were released.

We feel, of course, very strongly that they should not be released and that case is now on remand. Is there a date fixed on that?

Mr. VAN CLEVE. We expect it to be reheard within the next 3 or 4 weeks, but no date has been set precisely.

Senator HOLLINGS. Have you looked at the mechanics, the actual system out there at the Energy Research and Development Agency?

Mr. SCHOENHAUT. Absolutely, sir. There is no way for anybody to get any information about an individual company out of that data bank anymore than they could some atomic energy secret, I suppose.

STANDARD ON DEPRECIATION

Senator HOLLINGS. What about the depreciation of capital assets? We have had some complaints that this is the business of keeping two sets of books.

Mr. STAATS. Yes. This has been our most difficult standard, and I think it is fair to say the most controversial one. As you may be aware, we had a hearing before the Production and Stabilization Subcommittee of the Senate Banking, Housing and Urban Affairs Committee earlier this week.

This is the subcommittee chaired by Senator Cranston. If agreeable with you, I think it might be helpful if we could insert that statement into the record at this point.

Senator HOLLINGS. Yes; the statement will be inserted at this point.
[The statement follows:]

Mr. Chairman and Members of the Subcommittee:

I welcome this opportunity to discuss Cost Accounting Standard Number 409, Depreciation of Tangible Capital Assets. There has been considerable misunderstanding among some defense contractors and defense industry associations as to what the Standard provides. This hearing should help both in clarifying the reasons for promulgation of the Standard and also in explaining its provisions.

The Cost Accounting Standards Board believes that the Standard is a keystone to the development of Cost Accounting Standards for defense contracts. The Board believes that it establishes fair and equitable requirements for measuring and allocating depreciation costs under negotiated defense contracts and subcontracts, and that it promotes a greater degree of uniformity and consistency in the pricing of those contracts.

I have prepared a brief statement about the background of the Board, about the nine Cost Accounting Standards which the Board has promulgated and about the Board's Disclosure regulations. The statement also includes other background information which may be of interest to the Subcommittee. Rather than read that background material, I would appreciate your including it as part of the record of this hearing as an attachment to this Statement.

I want to discuss the background of the Standard and the provisions of it which I understand are objectionable to some defense contractors.

The Board instructed its staff almost four years ago to begin the work which has led to Standard No. 409. The subject of depreciation is not a new one. It was identified as a major problem area in the General Accounting Office's Feasibility Study conducted in 1968 and 1969--the work which preceded Congressional creation in 1970 of the Cost Accounting Standards Board. Beginning in May 1971, our staff conducted rigorous research of published material, including Government procurement regulations dealing with depreciation and the changes made

in them from time to time. We considered the research data made available to us by the American Institute of Certified Public Accountants and the Management Accounting Practices Committee of the National Association of Accountants. We consulted with the Treasury Department and the Internal Revenue Service.

We also have had the benefit of a great deal of research work performed by the Board relating specifically to depreciation in connection with negotiated defense contracts. We made analyses of the several hundred Disclosure Statements of contractor accounting practices which are on file with the Board. An issues paper dealing with capitalization and depreciation was distributed on December 23, 1971 to 50 individuals and organizations who expressed an interest in the Board's work. A questionnaire derived in part from the responses to the issues paper was distributed to about 100 interested parties in April 1972. Staff Members made numerous plant visitations and held discussions with company officials at contractor locations during the more than three years spent in developing the Standard on depreciation. We benefited from a detailed Staff study of depreciation costs of 107 contractor profit centers.

In addition the Board invited representatives of the Department of Defense, the Aerospace Industries Association, the American Institute of Certified Public Accountants, the Financial Executives Institute, and the Machinery and Allied Products Institute to meet with us for a discussion of the issues involved. Board staff also arranged for informal meetings with representatives of professional accounting and industry organizations. We rely heavily on these organizations to provide us with an understanding of the view of those who will be affected by any Standard, if promulgated.

Based on this general background research and on our understanding of the issues involved, a preliminary Staff proposal was mailed in March 1973, to 270 contractors and others to provide them an opportunity

to comment and advise the Board. We received over 100 letters of comment on that Staff proposal. At subsequent meetings, the Board had numerous discussions about issues highlighted and alternative approaches to those issues.

On June 11, 1974, a Board exposure draft was published in the Federal Register, soliciting comments from all interested parties. It was also mailed directly to the approximately 1,000 persons then on the Board's mailing list of individuals and organizations who have expressed an interest in the Board's work. We received more than 100 letters commenting on that proposal. After careful Board consideration of those comments the proposed Standard was revised and published again in the Federal Register of October 3, 1974. This second publication of a proposal was unprecedented for the Board; it was also sent to the entire Board mailing list. We received 80 letters in response to this second exposure draft.

On December 20, 1974, at the request of industry spokesmen, the Board scheduled a special meeting. This meeting was attended by many industry representatives who provided a further exchange of views which assisted the Board as it began its final deliberations on the proposed Standard. The Board by a four to one vote decided at its January meeting this year to promulgate the Standard.

The Standard was submitted to the Congress on January 24, 1975, in accordance with Section 719(h)(3) of the Defense Production Act, which requires that sixty days of continuous legislative session elapse before the Standard goes into effect. In the absence of a concurrent resolution stating in substance that the Congress disapproved of the promulgated Standard, it became final on March 25, 1975. It will be incorporated in appropriate negotiated defense contracts made on and after July 1, 1975.

Even after that date, however, the requirements of the Standard are phased so that those contractors for whom accounting changes will be required will not experience the full impact of the Standard for many years. This long-delayed impact of this Standard on the negotiation of defense

contracts will not even begin for most defense contractors until some time in 1978.

I would like to turn now to a discussion of the provisions of the Standard itself. The first point I would make--and it is a matter of very considerable significance--is that the Standard has not been challenged or questioned with respect to its accounting concepts or techniques. The purpose which the Congress prescribed for any Cost Accounting Standard is that it provide for fair and equitable means whereby costs under negotiated Government contracts may be measured and allocated to the Government business of the contractor, in such a way as to provide increased uniformity and consistency in cost accounting practices used in Government contracts. The Board has heard little criticism that Standard No. 409 fails to satisfy this primary, statutory requirement of all Cost Accounting Standards.

As I mentioned earlier, accounting for depreciation costs was clearly identified as a significant problem area, even before the Cost Accounting Standards Board was created. The Government's procurement regulations such as the Armed Services Procurement Regulation were relying largely on financial accounting practices and Federal income tax regulations for the determination of depreciation costs. The Board's research showed that defense contractors often used minimum lives permitted for tax purposes for financial accounting rather than lives based on actual experience. During its research, the Board was also urged to rely on tax accounting for the determination of service lives. The Board recognized that contract costing often deals with the same expenditures and the same problems of allocation to time periods that are of interest in income tax accounting. The Board recognized however that tax regulations are intended to achieve a variety of social and economic goals quite foreign to the purposes of contract costing.

I should emphasize at this point that Cost Accounting Standards do not modify tax laws or accounting practices used for reporting Federal income taxes. Compliance with Standard No. 409 for contract cost

accounting purposes will in no way affect the accounting practices a firm uses for making its tax returns, and accounting practices suitable for tax accounting will continue for that purpose.

Standard No. 409, which permits the determination of the proper measurement and allocation of depreciation costs under negotiated defense contracts should be of value to both the Government and the contractor. If a contractor performs nothing but defense work, it is important that his different defense contracts bear the correct costs of depreciation of the assets used in performance of those contracts. The costs of all procurements are distorted if some procurements bear disproportionately heavy depreciation costs while others bear disproportionately light depreciation costs. For the same reason, a contractor whose business is mixed between defense and commercial business must be able to allocate the correct costs of depreciation to the defense portion of his business. Finally, it is in the public interest that the Government not be forced to continue to make premature borrowings or an unduly early use of its revenues to reimburse contractors for depreciation costs which under sound cost accounting principles would not be subject to reimbursement as early as they now are.

What then are the economic arguments being presented against Standard No. 409? Let me say briefly that the principal objections from those opposing the Standard have been that it will, several years from now, require them to base depreciation costs under negotiated defense contracts on estimates of the actual expected lives of the assets being depreciated, rather than on the shorter periods of time which they have up to now been entitled to use for tax purposes. The result of this future requirement will in most cases stretch out the period of time under which the costs of those assets will be reimbursed, from an artificially short period to a more realistic and longer period based on the experience of each company.

This in turn leads to what the opponents of the Standard see as a deprivation of cash-flow advantages which many defense contractors have enjoyed for many years. They believe that the effect of the Standard may inhibit investment in plant and equipment, that it may "strangle" capital formation and regeneration, and that it may adversely affect earnings.

The Board was of course well aware of the potential impact on many contractors' cash-flow of Standard 409, and it heard the arguments of the economic consequences of this impact from industry spokesmen. The Board sought to answer these arguments in its prefatory comments issued at the time the Board promulgated the Standard. For contractors who have been using realistic service lives, the Standard is likely to have little effect. For contractors who have not been using realistic service lives, what we indicated in the prefatory comments and would repeat today is that the Board understands that the stretching out of lives will deprive them of the cash-flow advantages which they have been realizing in the performance of those contracts.

The Board believes that if the profits made in the performance of defense contracts are inadequate to provide an incentive for the necessary investment in new plant and equipment or inadequate to provide sufficient incentive to American industry to undertake defense contracting, then this problem should be addressed directly by the procuring agencies in the application of, or in a reformulation of, their profit policies. The Board believes that profits should not be realized on the basis of inappropriate accounting practices. Profit objectives should be set openly and realistically as a matter of public policy. The Government obviously wants to retain its present supplier base and expand that base if possible. Profits should be sufficient and sufficiently visible to accomplish those objectives.

Contrariwise, we do not believe that Cost Accounting Standards should overlook real costs involved in fulfilling a negotiated contract. For example, the Cost Accounting Standards Board has under consideration the question of whether the cost of capital should be recognized as a cost in fulfillment of these contracts. Interest, as you know, is now disallowed. The Board does not have authority to direct that this policy be changed. However, we do have authority to require that these costs be identified and properly allocated as a cost in fulfilling negotiated contracts, and our staff is currently working on such a standard with this as our objective.

The Board deliberately delayed the impact of Standard No. 409 so that any necessary readjustments of Government profit policy could be made deliberately. Thus Standard No. 409 will have no impact at all on most Government contractors until some time in 1978, almost 3 years after its promulgation. Furthermore, even if the Standard begins at that time to affect the reimbursement of depreciation costs of some contractors, it will be three or four more years before that impact can possibly be substantial. The Board is fully confident that the Government and its suppliers, both current and potential, given several years within which to address themselves to the proper profit levels and the need for new plant and equipment for the performance of Government contracts, will resolve these matters equitably. These solutions can be arrived at in an atmosphere in which both parties can address themselves specifically to the profit and capital requirements of Government suppliers, without the distortion which has persisted throughout prior years of consideration of these specific issues because of the availability to some of accounting practices which may produce unacknowledged profits during the performance of Government contracts.

One final argument has been made against the Standard which I have not specifically dealt with. That is that the Standard will require the establishment and maintenance of records bearing on the life of capital

assets beyond anything presently established and maintained by defense contractors, and that this record-keeping requirement will be so burdensome and expensive that its costs themselves will outweigh any advantages to be derived from use of the Standard.

The Board gave careful consideration to these arguments prior to the promulgation of Standard No. 409. The Board responded to these concerns by providing that contractors might employ statistical sampling from existing records or judgmental samples with analyses to support a large portion of the dollar amounts involved. In this way, reasonable estimates may be developed through the use of relatively small samples. Furthermore, the Board urged procurement agencies to provide early written guidance to their field personnel on ways in which contractor estimates of the expected lives of assets will be evaluated by Government auditors and contracting officers. The Board also volunteered its own assistance, if requested, in the development of this guidance. Our assistance has indeed been requested, and our Staff is now working with Government agencies on this matter.

We have in this connection learned that the Department of Defense has surveyed 92 defense contractors, including large, medium and small firms, to determine the quality of their records of their fixed assets. Of that number, all 92 have records showing the acquisition dates of their assets, 91 have records showing the acquisition costs of those assets, and 82 have records showing the disposition date of those assets. The survey concluded that all of the 92 contractors have records which are either adequate to determine the service lives of assets or which are available for that purpose but required analysis to determine such lives. All of the 92 companies surveyed were found to have records adequate to be used as a base line for estimating the service lives of future acquisitions.

All of these companies and other defense contractors will have until some time in 1978 in which to develop the necessary estimates. The Board's belief that the record-keeping requirements of the

Standard are not unusual and do not in fact require the huge majority of defense contractors to establish and maintain records which they do not already maintain appears to have been wholly justified.

I have taken some time to explain the way in which the Board researched the entire subject of depreciation before promulgating Standard No. 409. My purpose was to provide to you an understanding of the way in which the Board seeks to carry out its statutory responsibilities of promulgating this and all other Cost Accounting Standards to achieve greater uniformity and consistency in the cost accounting practices used by defense contractors and subcontractors.

The Board's research, development, testing, consideration, and reconsideration of proposals have been exhaustive, have been conducted objectively by skilled professional staff, and have resulted in Cost Accounting Standards which we believe are most likely to satisfy the requirements which the Congress through Public Law 91-379 has placed upon the Board.

Having entered a strong defense of the Board's action, let me hasten to add that we will proceed with an open mind and, should experience indicate the desirability of a modification of the Standard, you can be assured that we will make the appropriate changes. This principle applies to all of the Standards issued by the Board, and for this reason we have agreed that we need to systematically assess from time to time how these Standards are working out. We do this on a continuing basis. In addition, we have scheduled in early June a 2-day conference in Chicago specifically for this purpose at which we will hear the views of all interested parties with respect to the Standards which have been in effect for a reasonable period of time.

I am prepared to respond to your questions at this point.

* * *

ATTACHMENT A

Summary of
Cost Accounting Standards Board Achievements
and Activities, 1970-1974

The Cost Accounting Standards Board was established as an agent of the Congress and independent of the executive departments by enactment of Public Law 91-379 on August 15, 1970.

In January 1971, following appropriations for the work of the Board, I appointed the four persons who first served with me on the Board. These were Mr. Herman W. Bevis, who was Senior Partner of Price Waterhouse & Co., Certified Public Accountants; Mr. Robert K. Mautz, who is currently a Partner in the firm of Ernst & Ernst, Certified Public Accountants; Mr. Charles A. Dana, who is Director of Government Accounting Controls of Raytheon Company; and the Honorable Robert C. Moot who was Assistant Secretary (Comptroller) of the Department of Defense. The terms of those four Board Members expired early in 1975, and I reappointed Mr. Bevis and Mr. Mautz to second terms. The Honorable Terence E. McClary, now the Assistant Secretary of Defense (Comptroller) was appointed to succeed Mr. Moot; and Mr. John M. Walker, Vice President and Controller of Texas Instruments, Incorporated, was appointed to succeed Mr. Dana.

Early in 1971, the Board selected Mr. Arthur Schoenhaut as its Executive Secretary, and a small full-time staff--now numbering 24 professional persons--was soon formed.

The Board generally holds monthly meetings lasting from one to three days. The Board operates on the basis of staff papers, and each Board Member is personally briefed by the staff in advance of each Board meeting on the items included in the meeting agenda. Board Members are in frequent communication with the staff on materials being developed by the staff. Thus, the Board Members are deeply involved in all aspects of research and development of Standards and regulations.

The Board has promulgated nine Cost Accounting Standards and implementing regulations; seven of them are now required to be included in negotiated defense contracts and subcontracts covered by Public Law 91-379. Standards Nos. 408 and 409 will be included in such contracts made on and after July 1, 1975.

The nine Cost Accounting Standards promulgated by the Board to date are:

No. 401 Consistency in Estimating, Accumulating, and Reporting Costs

No. 402 Consistency in Allocating Costs Incurred for the Same Purpose

No. 403 Allocation of Home Office Expenses to Segments

No. 404 Capitalization of Tangible Assets

No. 405 Accounting for Unallowable Costs

No. 406 Cost Accounting Period

No. 407 Use of Standard Costs for Direct Material and Direct Labor

No. 408 Accounting for Costs of Compensated Personal Absence

No. 409 Depreciation of Tangible Capital Assets

The Board has also solicited comments from the general public on a proposal for Standard No. 410, dealing with allocation of business unit general and administrative expenses to cost objectives, and a proposal for Standard No. 411, concerned with accounting for acquisition costs of material. Comments submitted to the Board on these proposals are being analyzed prior to Board consideration of whether to go forward with promulgation of Cost Accounting Standards on the two subjects.

The Board is working on approximately 10 additional subjects, many of which we believe will culminate in Cost Accounting Standards.

The Board has also designed a Disclosure Statement of cost accounting practices which certain contractors must submit to the Government as a condition of contracting. These Disclosure Statements require major defense contrac-

tors to describe the principal practices they will follow for applicable negotiated defense contracts. Initially, each contractor who received negotiated prime defense awards in excess of $30 million in Fiscal Year 1971 was required to submit a Disclosure Statement. The Board amended that regulation to provide that, beginning April 1, 1974, Disclosure Statements were also required from companies which received in excess of $10 million of negotiated prime defense contracts of the kind subject to the Board's jurisdiction in either Fiscal Year 1972 or Fiscal Year 1973. The Board has only recently published a proposed amendment to its regulations on the Disclosure Statement which, if adopted, would require firms to file Disclosure Statements on the basis of awards received in subsequent fiscal years.

As of March 31, 1975, the Board had received copies of 1,260 Disclosure Statements from 155 multi-divisional companies required to make disclosure of cost accounting practices to the Government. The Board has established a computerized data bank into which are placed the responses contained in every Disclosure Statement received. We have the capacity now to provide aggregate data with respect to any question or combination of questions covered by the Disclosure Statement. This data bank is of considerable assistance to the Board in its research into possible Standards.

In 1974 the Board promulgated a Disclosure Statement for use by colleges and universities receiving defense contracts and subcontracts. The Statement closely parallels the Disclosure Statement submitted by commercial firms but is designed specifically for use by colleges and universities.

In 1974 the Board completed a study leading to establishment of a contract threshold amount below which the Board's Standards and regulations need not be followed. The Board decided to increase the exemption from the statutory limit of $100,000 to $500,000. The increase became effective January 1, 1975. Based on Department of

Defense statistics, the Board estimates that about 70 percent of the companies receiving DOD prime contract awards representing only about ten percent of the total dollar value of annual DOD contract awards, will be exempt. Contractors who do not receive a covered contract in excess of $500,000 can, however, elect to comply with the Board's Standards and regulations.

Recognizing that cooperation by departments and agencies of the Executive Branch would be very important in achieving the full benefit of its regulations and Standards, the Board established an Interagency Advisory Committee in 1972. The Committee is composed of controller and procurement representatives of the Energy Research and Development Administration, the Department of Defense, the General Services Administration, the National Aeronautics and Space Administration, the Department of Health, Education and Welfare, and the Department of Transportation. The Committee is chaired by a representative of the General Services Administration.

The cooperative spirit of this Committee and of the individual Federal agencies involved has materially assisted in the implementation of promulgated Standards, rules and regulations. For example, the Atomic Energy Commission, the Department of Defense and the National Aeronautics and Space Administration, the original three principal relevant Federal agencies under Public Law 91-379, have issued uniform implementing regulations. The General Services Administration, in its publication of the Federal Procurement Regulations provided that, with certain exceptions the Board's Standards, rules, and regulations, as a matter of policy are to be extended to nondefense contracts, thus better assuring consistent application of Board issuances to contractors having both defense and nondefense contracts.

To improve understanding of the Board's fundamental objectives and concepts and thus to provide the basis for a productive dialogue with

those concerned with the Board's work, the Board formulated and published in March 1973, a Statement of Operating Policies, Procedures and Objectives. Interested members of the public should, on the basis of this Statement, be better able to focus on the complex and difficult substantive issues which the Board faces in promulgating Cost Accounting Standards.

The task of issuing sound, fair Cost Accounting Standards is exceedingly complex. To assist the Board in achieving its objectives, the Board has actively sought the cooperation of all those who have an interest in its work. The Board has established active, open consultations with representatives of all groups, including Government agencies, professional and industry associations, the academic community, and representatives of individual companies. Participation on both an individual basis and an organizational basis has been excellent. There are now more than 1,500 organizations and individuals to whom Board proposals and promulgations are regularly mailed during the course of the Board's research. These organizations and individuals generally have provided constructive reviews and comments on Board materials.

As an aspect of its conviction of the need for candid and regular communication with industry and Executive Branch agencies and also of its continuing concern for the orderly implementation of its rules, regulations, and Cost Accounting Standards, the Board undertook to sponsor in 1972 and 1973 a series of 1-day briefing sessions held throughout the country for both Government and industry representatives to explain its Standards and regulations. We estimate that approximately 11,000 persons attended those sessions.

Believing that training should be assumed by established training organizations, at least after the Board's early materials had been covered in Board-conducted sessions, the Board in 1974 encouraged the Civil Service Commission, the Army Logistics Management Center, and the American Institute of Certified Public Accountants to

establish and maintain training courses in Cost Accounting Standards matters. The Board worked closely with those organizations in the preparation of their courses and continues to provide assistance with respect to the course material and also to provide occasional speakers at the training sessions.

As a further example of the Board's earnest desire to foster communications between itself and defense industries, the Board has announced that it will hold in June of this year an Evaluation Conference on Promulgated Standards and Regulations. The conference will be held in Chicago, Illinois, in order to facilitate attendance by any interested persons. Anyone wishing to appear before the Board to discuss his company's experience with promulgated Standards and regulations is invited to participate in the conference. The conference will also be open to the general public. There are early indications that industry greatly welcomes this opportunity to meet directly with the Board and that attendance at the conference will be high.

To assure effective coordination of the work of the Board with other agencies and groups concerned with accounting principles, the Board has established and maintains regular exchanges with the Securities and Exchange Commission, the Internal Revenue Service, and the principal standard-setting body in the private sector, the Financial Accounting Standards Board.

HEARING ON STANDARD

Mr. STAATS. In general, we thought we had a satisfactory hearing and the industry people and we both were present at the same time, responding to questions and engaging in discussions about depreciation.

I think, in summary, it is fair to say that there still is considerable misunderstanding on the part of the contractors as to how the standard would affect them for the future. Part of the difficulty is the confusion between the purpose of IRS tax guidelines and the purpose of Cost Accounting Standards.

The argument has been that we should simply adopt the Treasury IRS guidelines for purposes of depreciation.

In many cases, that results in too rapid depreciation for cost accounting purposes. In other cases, it may not be rapid enough. What we are saying is that the depreciation ought to be related to the actual service life of the equipment. That may be more or less than the IRS guidelines.

RELATIONSHIP TO TAX POLICIES

Senator HOLLINGS. Wouldn't it be good to get you and the IRS together?

Mr. STAATS. It has been the principle—going way back before the law was established—that tax policy served one objective and cost accounting serves a different objective.

In all cases before we issue a Standard, we not only discuss it with the IRS but also with the SEC to be sure that, for purposes of financial reporting in the case of the SEC, we are not departing unnecessarily from their own principles and the same thing applies with respect to the Securities and Exchange Commission.

In other words, what we are saying is that if we are to depart from the SEC principles or the IRS principles we ought to have good reason for doing so.

Senator HOLLINGS. Then the IRS ought to have that same good reason. I am trying to reconcile. I am a businessman and I am trying to keep these books. It sounds good and everything else, but why can't there be a meeting, coming closer together there so it is one form?

You might suffer a little diminution in enforcing it by IRS or you might not be depreciating quickly enough or too quickly. That ought to be reconciled into one form so the businessman can satisfy both agencies of government. Is there that big a cleavage?

Mr. STAATS. I am afraid there is in this case.

Mr. SCHOENHAUT. The IRS lives really bear little relationship to the estimated service life of the assets.

For IRS purposes, primarily revenue raising and for social and economic reasons, tax laws and regulations are probably very suitable. But for costing out a government contract, they are wholly unsuitable. The record keeping problem we think has been substantially overstated by some of industry.

As a matter of fact, in most companies, they have information concerning the date of acquisition of a piece of equipment and the date of disposition of a piece of equipment so that they do know the true physical life or retention life of the asset.

With that sort of information in a record, which is primarily computer based, they can draw out information to support either the tax return for IRS or what is required under government contract costing.

So we don't visualize very much of a problem with respect to the record keeping. But we are, because of the interest that we have heard expressed by industry, working with the Department of Defense to try to establish implementing regulations that will make any transition from what a company may have been doing under IRS to what is required by this standard relatively painless.

BENEFITS OF DEPRECIATION STANDARD

Senator HOLLINGS. What about the benefits? Doesn't the law that requires implementation and promulgating of Cost Accounting Standards require that they be weighed against the benefits and savings that should be experienced?

Mr. STAATS. There will be savings. One of the reasons that the contractors would like to have the more rapid amortization is to increase their cash flow, which means that they get the advantage of having earlier cash flow and therefore having to raise less money, either their own or by borrowing in the market.

Senator HOLLINGS. But that is back to depreciation of assets. I am just talking about weighing——

Mr. STAATS. The Standards overall?

Senator HOLLINGS. That is right, promulgation of standards, the cost of implementing these weighed against the benefits.

Mr. STAATS. We consider the costs and benefits of the Standards as we develop individual standards. This is one of the things that we look at. It is not like a rivers and harbors project where you can come out with 1.1 or 1.5 to 1 ratio, because in many of these cases, the costs and benefits just don't lend themselves to using that kind of numbers.

But you can make a judgment in each case as to the impact on industry. It is a judgment on the part of five different people, based on the staff work that the Board members have available to them, and the comments from industry. We sit around the table with industry and get its reaction.

Senator HOLLINGS. What about DOD? They say they have hundreds of people over there keeping the records that is costing the industry millions of dollars. Is that the case? Is that information correct? It is costing industry millions of dollars?

Mr. STAATS. To implement these standards?

Senator HOLLINGS. Yes, sir.

Mr. STAATS. If they have got that kind of information, they have not made it available to us. There has been plenty of opportunity for them to do so.

Senator HOLLINGS. Can you identify the savings of tax dollars, savings of dollars in the promulgation of these standards?

Mr. STAATS. Savings as such enter into the picture at the time the contract is negotiated. Previously, before this Board was established, there was no requirement that contractors maintain their accounting records in a way that you could get adequate cost information.

This was what gave rise to the issue. Not only did contractors not keep records in a way where the Government, on negotiated contracts, could get hold of the information, but also there was no requirement that contractors keep that information on a consistent basis throughout the life of the contract—from the time it was negotiated, or on change orders, contract settlement, renegotiation by the Renegotiation Board.

A lot of the savings will have to come or do come, as we see it, in terms of getting a better price at the time the contract is negotiated.

You can't really look at the cost and benefits of the standard in terms of whether or not the standard, as such, costs the Government or costs the industry more money. We take the position that if the standard is a good standard, it should be issued; even if it means that the contractor gains; that should not be determinative.

COST OF CAPITAL

In some cases, the contractor will gain. In other cases, he won't. Let me give you an example of what the contractors very much want, and what we are working on. That has to do with the cost of capital. There is no way now that the contractor can get any reimbursement for the cost of his capital.

He either has to get it out of profit or, what we think is happening, they are getting a lot of it out of depreciation—which is not the right way to do it.

There ought to be recognition of the cost of capital. We will be issuing a standard on the cost of capital. It is in process at the moment. Of course, contractors want this. We think it is the proper thing to do. But the benefits of the standards, just to reiterate, come primarily at the time you enter into negotiation for a price, for a contract, not in terms of the particular standard.

So you will have to look at this from the standpoint of their overall benefit to the Government after we get many of the standards in place.

SAVINGS THROUGH USE OF STANDARDS

Senator HOLLINGS. You say there is no way to identify the savings?

Mr. SCHOENHAUT. The specific dollars can't be measured in most instances. In connection with the research for each one of these standards, we ask the companies if this standard were in effect in your previous fiscal year, what would be the administrative cost of implementation?

We get estimates that vary all the way from no cost or nominal cost to some estimates in the hundreds of thousands of dollars. When we have asked for the estimates and sat down with the industry folks and gone over how they derived at estimates, quite often the costs turn out to be nominal.

There is no hard administrative cost of implementation. But as Mr. Staats says, the basic saving, when you look at the savings side of it, comes from the negotiations of the contract and also the use of standards facilitates the audit and administration of the contract following the award of the contract.

Mr. STAATS. Another thing we have done is to raise the threshold as to the dollar amount of the contracts that will be affected by the standards.

The law said that all negotiated defense contracts in excess of $100,000 would be covered by these standards. The Board is given authority to make exemptions or to raise that threshold. We have raised that threshold to $500,000.

We still cover about 90 percent of the dollars. But we also eliminate 70 percent of the contractors, do we not?

Mr. SCHOENHAUT. That is right. Thirty percent of the contractors are covered for 90 percent of the dollars.

Mr. STAATS. That is right. So this is kind of a cost-benefit judgment also. We don't see how we could justify covering those contractors who represent such a small portion of the total amount of negotiated contracts.

Senator HOLLINGS. Thank you very much Mr. Schoenhaut and Mr. Van Cleve.

GENERAL ACCOUNTING OFFICE

STATEMENT OF ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES

ACCOMPANIED BY:

ROBERT F. KELLER, DEPUTY COMPTROLLER GENERAL
PAUL G. DEMBLING, GENERAL COUNSEL
S. PHILLIP HUGHES, ASSISTANT COMPTROLLER GENERAL
THOMAS D. MORRIS, ASSISTANT COMPTROLLER GENERAL
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WILLIAM N. CONRARDY, DIRECTOR, OFFICE OF PROGRAM PLANNING
RICHARD W. GUTMANN, DIRECTOR, PROCUREMENT AND SYSTEMS ACQUISITION DIVISION
HENRY ESCHWEGE, DIRECTOR, RESOURCES AND ECONOMIC DEVELOPMENT DIVISION
FORREST R. BROWNE, DIRECTOR, FEDERAL PERSONNEL AND COMPENSATION DIVISION
FRED J. SHAFER, DIRECTOR, LOGISTICS AND COMMUNICATIONS DIVISION
THOMAS SULLIVAN, DIRECTOR, TRANSPORTATION AND CLAIMS DIVISION
MONTE CANFIELD, DIRECTOR, OFFICE OF SPECIAL PROGRAMS

BUDGET REQUEST

Senator HOLLINGS. Our next item is the General Accounting Office. The amount of the budget estimate is $139,540,000, an increase of $18,164,000 over the amount presently appropriated.

SUPPLEMENTAL REQUEST

However, there is a supplemental request pending of $3,813,000, for increased pay costs, which, if approved, would result in a real year-to-year increase of $14,351,000. The number of staff years, or average employment, is projected to increase by 226, largely as a result of the work load generated by the Congress, and by the additional responsibilities imposed by the Congressional Budget Act.

Mr. Staats, we will insert the justification material in the record at the end of the hearing, and we welcome you, and Mr. Keller, Mr. Hughes, Mr. Morris, Mr. Morse, Mr. Dembling, and your associates. Mr. Samuelson was not present.

ASSISTANCE OF GAO TO THE SENATE SUBCOMMITTEE

Mr. Staats, you and the GAO have always been of great assistance to this subcommittee, but I want to note in particular the help of

Bob Keller, who has always been a source of immediate and reliable information. Bob is more than your right arm, he is an inspiration to all who have suffered a major disability.

REMOVAL OF BARRIERS TO THE HANDICAPPED

Now, Bob, I am going to ask you a question before we go into the Comptroller General's statement. Yesterday, the Architect of the Capitol requested $2.7 million for the removal of barriers to the handicapped here on Capitol Hill.

You are up here a lot and what barriers in particular have you encountered?

Mr. KELLER. Yes. As you know, Mr. Chairman, I didn't become handicapped until about 2 years ago. The architectural barriers never meant very much to me in the past, but they do now.

I think on the Hill it is fair to say that some improvements have been made, but you have to know where the curb cuts are, for example, so the wheelchair can get up over the curb, which is a real hazard. You have to know where the ramps are located. I think it is fair to say that a man in a wheelchair by himself has a difficult time. You have to have somebody with you to get around without difficulty.

Senator HOLLINGS. Maybe Public Works will follow through with the other public buildings and see if they can't make those adaptations.

Mr. KELLER. I don't know what the Architect has in mind, but to me the Capitol is one of the most important public buildings in the country, and I think it should be made more easily available for the handicapped.

Senator HOLLINGS. That is what he has in mind.

Mr. Staats, we will be glad to hear from you now, sir.

PREPARED STATEMENT

Mr. STAATS. Mr. Chairman, I will attempt to summarize my statement following its placement into the record.

[The statement follows:]

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

We appreciate the opportunity to present to the Committee a review of our work programs and our financial requirements for FY 1976. Details of these plans have been provided to you in a separate volume entitled "Justification of Estimates." This opening statement will summarize:

A. Our Overall Financial and Staff Requirements.

B. The Impact of Recent Legislation and Other Congressional Actions on GAO Organization and Work Programs.

C. General Performance Highlights Since our Last Budget Hearing.

A. OVERALL FINANCIAL AND STAFF REQUIREMENTS

Our FY 1976 estimate is $139.5 million--an increase of $14.4 over our FY 1975 budget. About two-thirds is to finance our current level of operations. The remaining one-third will support an increase of 260 average staff-years.

First I will summarize our FY 1975 appropriations and then analyze our FY 1976 request.

1. STATUS OF FY 1975 APPROPRIATIONS

As of March 29 our appropriations outlook is as follows:

. Original FY 1975 Appropriations	$121,376,000
. Additional cost of salary increase effective October 1974	3,813,000
. Total request for FY 1975	125,189,000

Unlike prior years when we fell short of attaining our staff plans, we expect this year to come very close to achieving the staff-years authorized, as well as utilizing virtually all of our originally estimated travel funds. We are most appreciative of your support in obtaining elimina-

tion of the mandatory reduction in travel funds which had begun to seriously curtail essential travel.

In addition to much tighter management of our resources, which is responsive to the desires of this Committee, our budget reflects increased costs for supplies and facilities. Also, we anticipate passage of the increased per diem and mileage allowances. As a consequence, as I wrote you on April 8, it would not be prudent to offer any of the small remaining funds which we estimate may be available by the end of the year to offset the pay increase, since this would leave us virtually no flexibility to meet unforeseen contingencies during the last quarter of FY 1975. We will be glad, however, to keep you advised of our expenditure status. Any unobligated funds, of course, will revert to Treasury as of June 30.

2. APPROPRIATIONS REQUEST FOR FY 1976

As stated above, funds requested for FY 1976 total $139.5 million--a net increase of $14.4 million over our FY 1975 requirements. Analysis of the request shows that about two-thirds of the increase is required to support our operations at present staff levels. Only one-third of the increase will be available for staff resources to meet the new requirements that I will outline later in my statement:

	Millions
- Cost increases to support current operations	
. Annualization of 1975 pay increases, plus promotions, periodic step increases, and associated benefits for the current staff, (including the transportation rate audit function)	$ 5.3

	Millions
. Increase in level and costs of supplies, equipment, services, space, and travel. . . .	3.8
. One-time costs of transferring the transportation rate audit function to GSA	0.7
- Cost increases to support increased responsibilities	
. Costs incident to the increase of GAO permanent staff, including pay, associated benefits, and travel	4.6
Total	$14.4

3. STAFF REQUIREMENTS FOR FY 1976

We are requesting 5,456 staff-years for FY 1976--compared with the 5,230 authorized for FY 1975. Ongoing GAO functions will need to increase by 260 staff-years, but requirements of the transportation audit function will decrease by 34 staff-years. The decrease will result from our continued progress in streamlining this operation.

In projecting their workload for FY 1976, our division and office directors estimated that 650 additional staff-years were justified in FY 1976. My decision to request only 260 staff-years--less than half of the estimated requirement--is based on limiting our growth to that number which we can effectively recruit and train while maintaining the high standards that we insist on.

Because we recognize the importance of GAO having the resources to fulfill its assigned responsibilities, we have increasingly emphasized our recruitment programs which have enabled us to come very close to attaining an average strength of 5,230 staff-years in FY 1975. Consequently, we are confident that we will be able to recruit the new staff we are requesting.

We have made good progress in our Equal Employment Opportunity Program. The number of minority and women employees has increased steadily as a percentage of our total employees in grades GS-5 and above. Minorities continue to be hired in record numbers for the professional staff, representing 40 percent of our college recruits in FY 1974 and the first half of FY 1975. Our request includes about $1 million for the overall Equal Employment Opportunity Program in FY 1976. I am submitting, for the record, a more detailed "Position and Status Paper" covering our EEO program.

4. PLANNED APPLICATION OF RESOURCES

Planned application of resources for FY 1975 and FY 1976 is shown in the schedule below:

PLANNED APPLICATION OF STAFF RESOURCES
FISCAL YEARS 1975 and 1976

PROGRAM CATEGORIES	ESTIMATED STAFF-YEARS FY 1975	FY 1976	CHANGE
A. Direct assistance to Congress	1,190	1,305	+115
B. Support to the Congressional Budget Process and Information Needs	104	165	+ 61
C. Reviews of:			
--Program Results	1,118	1,179	+ 61
--Economy and Efficiency	1,119	1,135	+ 16
	2,237	2,314	+ 77
D. Examination of Agencies' Financial Systems, Transactions, Accounts, and Reports	243	243	-
E. Financial Management Improvement	125	125	-
F. Claims Settlement and Debt Collection	144	137	- 7
G. Federal Election Activities	25	-	-25
H. Legal Services and Decisions (Net of Direct Assistance to Congress)	207	210	+ 3
I. Executive Direction and Management Services	517	553	+ 36
TOTAL ONGOING GAO STAFF-YEARS	4,792	5,052	+260
Transportation Audit Functions which will be transferred to GSA	438	404	(34)
TOTAL	5,230	5,456	

At this point, I would like to highlight the major increases in our request:

--The largest single increase, "Direct Assistance to Congress," continues the trend we have experienced in this category for some time. We expect that the increased level of requests will require us to devote 115 more staff-years to this area in 1976--an increase of 9 percent over the estimated 1975 level.

--The second biggest increase is in the new category "Support to the Congressional Budget Process and Information Needs." Work under this category will fulfill responsibilities assigned to us by Titles II, VII, VIII, and X of the Congressional Budget and Impoundment Control Act of 1974, and the Legislative Reorganization Act of 1970. An increase of 61 staff-years will be required. When the increase in this new category of support is added to the direct assistance category, about two-thirds of the increased staff being requested is in direct support of specific congressional requirements.

--In the third category, our self-initiated work--the principal increase is in Reviews of Program Results. This again is responsive to the growing need for such support by the Congress, and the new emphasis given to that need by Title VII of the Congressional Budget and Impoundment Control Act and in many other acts such as those listed later in this statement.

--Other significant increases are in support of internal management improvements with particular emphasis on staff development, equal opportunity, upward mobility training programs, and financial management improvements.

Since the planned changes in our organization and staffing in FY 1976 stem primarily from recent legislation, I would now like to turn to a review of:

B. IMPACT OF RECENT LEGISLATIVE AND OTHER CONGRESSIONAL ACTIONS ON GAO ORGANIZATION AND WORK PROGRAMS

Three recently enacted bills are having an immediate impact on our organization, staffing, and work priorities. I will discuss these and then refer briefly to other legislative or congressional actions affecting our work.

1. The General Accounting Office Act of 1974 (P.L. 93-604), signed by the President on January 2, 1975, has a number of provision with long-term implications.

Most important is the transfer of responsibility for making initial audits of transportation payments from the General Accounting Office to the General Services Administration. This transfer has been in the planning stage during the past two years. We are proceeding with actions which will assure the efficient transfer of these functions no earlier than October 1, 1975, but with completion, as required by law, no later than September 30, 1976. I am giving personal attention to assuring full protection of the rights and interests of the people involved.

Our FY 1976 request contains funds to finance the transportation rate audit work for the full year, including personnel and operating costs, and the special costs involved in the transfer of this function to the General Services Administration.

After the transfer we will continue to be responsible for the overview of administrative policies, practices, and procedures of executive agencies having transportation responsibilities. We will retain the functions of collection, compromise, and termination of transportation debts referred to us by other agencies. We will also continue to render decisions and give guidance to departments and agencies in connection with proposed transportation expenditures, and to claimants who request the Comptroller General to review settlements involving questions of law or fact.

Among other significant provisions of the General Accounting Office Act of 1974 is a new responsibility for auditing nonappropriated fund activities. These activities sell merchandise or services to certain classes of Government employees, retirees, and their dependents (primarily in the Department of Defense). They number in the hundreds, have annual sales estimated at $6 billion per year, and employ up to 300,000 personnel either part-time or full-time. This is an area which in the past has had only minimal outside review.

2. The Federal Election Campaign Act Amendments of 1974 established the new Federal Election Commission. The functions performed in our Office of Federal Elections (OFE) will be transferred to the new Commission after it begins operation. We have already begun the phase-down of our OFE staff and are reallocating the resources thus saved to new functions and requirements. Anticipating passage of the Act, we phased out the audit program as discussed with the Committee last year and are utilizing approximately 85 of the 110 staff-years originally planned for that work in FY 1975 to meet new and unforeseen requirements mandated by various Congressional requirements cited below:

3. The Congressional Budget and Impoundment Control Act of 1974 enlarges GAO's program evaluation role by requiring us to review and evaluate Government programs carried on under existing law, to recommend methods for reviewing and evaluating Government programs to assist in stating legislative objectives and goals, and to develop

methods for assessing and reporting actual program performance.

Additionally, the Act clarifies and strengthens the extensive fiscal, budgetary, and program-related data and information systems responsibilities given to the Comptroller General in cooperation with the Secretary of the Treasury; the Director, Office of Management and Budget; and the Director of the Congressional Budget Office. It also gives GAO important new responsibilities regarding congressional consideration of rescissions and deferrals of budget authority proposed by the President.

By utilizing staff resources already assigned to Congressional information service activities, and those previously planned to work on Federal Election activities, as well as by closer management of our staff-years both at headquarters and in the field, we are able to apply 104 staff-years to these functions in FY 1975. We propose to expand this effort to 165 staff-years in FY 1976. These new or enlarged functions include:

a. Budgetary and Economic Analysis. We have established an "Office of Program and Budget Analysis" (OPBA) to conduct analyses as contemplated in Titles VII and VIII of the Act. In so doing, this Office will build on GAO's knowledge of Government programs and policies, on our access to fiscal and budgetary information, and on work that we do in connection with program auditing. A primary objective is to provide Congress with expanded analytical information for its use in making major budget and

appropriations decisions. We will seek to provide the Congress with analytical material which will stress the costs and benefits of Federal programs.

b. Meeting Congressional Financial and Budgetary Information Needs. Our Congressional Information Services Group is responsible for GAO's role under Title VIII of the Congressional Budget Act in the development of standardized information systems for fiscal, budgetary and program-related data and information needs of the Congress. We are placing particular emphasis on the identification of Congressional information needs.

We have made good progress in improving the appropriation classification structure of the Departments of Housing and Urban Development, and Agriculture, the General Services Administration, the National Science Foundation, and the National Aeronautics and Space Administration.

We are developing ways in which data files in executive agencies can be made available to meet information requirements of the Congress. Work on this objective is continuing in cooperation with the agencies, the Office of Management and Budget, and committees of Congress.

c. Impoundment Analysis. As required by Title X of the Congressional Budget and Impoundment Control Act of 1974, we review and advise the Congress with respect to the legality and impact of proposed re-

scissions and deferrals of budget authority by the executive branch.

4. OTHER LEGISLATIVE OR CONGRESSIONAL ACTIONS AFFECTING GAO WORK PROGRAMS

New direct assignments or new priorities frequently result from congressional actions. The following are some recent illustrative examples:

--The Energy Reorganization Act of 1974 requires GAO to evaluate the effectiveness of licensing and related regulatory activities of the newly established Nuclear Regulatory Commission, and the operations of the Office of Nuclear Safety Research and the Bureau of Nuclear Materials Security. A report to the Congress is required within five years. This and other work related to the Act's establishment of the Energy Research and Development Administration will significantly affect our work and our need for resources for some time to come.

--The International Air Transportation Fair Competitive Practices Act of 1974 directs the Comptroller General to disallow any expenditures from appropriated funds for payment of personnel or cargo transportation on a foreign air carrier in the absence of satisfactory proof of necessity. This Act, in addition to its obvious requirement for the use of GAO resources, will present some rather complex problems which we will need to resolve.

--The Trade Act of 1974 requires the Comptroller General to study adjustment assistance programs established by the Act and to report to the Congress on the results of the study by January 31, 1980. This requirement and other provisions which call for greater congressional participation in trade matters--both in the approval and the administration of trade agreements--will, we believe, significantly affect our workload.

--The Small Business Amendments of 1974 approved in August 1974 required GAO to conduct a full-scale audit of the Small Business Administration including its field offices. This will constitute a major workload for our General Government Division in FY 1975.

--Senate Report 93-1033 on Russian Grain Transactions recommends that the Comptroller General review in detail the export reporting system recently placed into operation to determine the outstanding export

sales commitments of commodities in relation to existing stocks.

--The Amtrak Improvement Act of 1974 makes GAO responsible for conducting an annual management audit of Amtrak's operations.

--House Report 93-1120 directs the Federal Trade Commission and GAO to work together to resolve data reliability problems concerning FTC's line-of-business program which we had previously identified.

--The Conference Report on FY 1975 DOD Appropriations, in September 1974, requested GAO to make an in-depth study of the program of the Department of Defense of stockpiling war materials or equipment for use by foreign countries and to report to the Committees on Appropriations.

--The D.C. Home Rule Bill requires GAO to make annual audits in connection with the District of Columbia's authority to borrow funds in the open market rather than, as in the past, from the U.S. Treasury. We are also required to continue our ongoing examination of the operations of the D.C. Government.

--New or expanded Federal programs embodied in the following Acts will, we believe, also affect the future of our work.

- The Solar Energy Research, Development and Demonstration Act of 1974.
- The Housing and Community Development Act of 1974.
- The Emergency Job and Unemployment Assistance Act of 1974.
- The Office of Federal Procurement Policy Act of 1974 and the revised statutes simplifying procurement procedures by raising the ceiling on small purchases from $2,500 to $10,000.

Prior legislative actions also continue to have a sizable impact on GAO. For example, the Health Maintenance Organization Act of 1973 required GAO to perform rather extensive evaluation work in connection with the operations and impact of Health Maintenance Organizations. This requirement, on which we are presently performing work, will continue to require substantial resources for at least the next two years.

In addition to the above, the statutes setting up the new Commission on Federal Paperwork and the National Commission on Electronic Fund Transfers name the Comptroller General as a member. We also expect to cooperate closely with the recently reorganized National Commission on Productivity and Work Quality in our efforts to measure and identify ways to increase productivity in the Federal Government.

C. GENERAL PERFORMANCE HIGHLIGHTS

I would now like to touch briefly on our overall performance since we last appeared before you and to outline for you some of our plans for the future.

1. Reports Issued and Other Services Provided to Congress.

In Fiscal Year 1974, we submitted 553 reports on audits or special studies to the Congress, Committees, and Members. This compares with 504 for the preceeding year. (In addition, there were 322 reports addressed to agency officials.) The breakdown of reports to Congress in fiscal year 1974 was as follows:

To Congress	145
To Congressional Committees . . .	167
To Members.	241
Total	553

But reports are only one of GAO's services to Congress. Testimony before Congressional Committees; preparation of staff papers; briefings for Committees, Members, and staffs; development of questions for use during hearings; and assignment of staff for varying periods to work for Committees and Subcommittees are all part of the staff services we render

to Congress. Legal opinions and comments on legislation are still another type of service.

We recently analyzed the trends in these services during the current fiscal year and found the following:

--During the first 9 months of fiscal year 1975, we issued 508 reports to Congress, Committees, and Members--more than in all of fiscal year 1973, and at a rate over 20 percent greater than in fiscal year 1974.

--But more striking is the fact that as of March 31, 1975, our work in progress requested by Committees and Members had reached its highest level in history.

--This increase is spread among Committees of both the House and the Senate, but the largest single increase has been for the Senate Appropriations Committee where requests on hand at the end of March totalled 31.

--But as I indicated, reports are only one of our services. For the Senate Appropriations Committee and its Subcommittees, during the first 9 months of fiscal year 1975, we prepared 13 reports but in total we performed, or have in process, over 100 staff services (including briefings, papers, questions, etc.). In addition, for individual Members of the Senate Appropriations Committee, during the same period, we performed, or have in process, over 180 reports and staff services.

Hence, as you can see, our services to Congress are at an all-time high and appear to be growing. Further details

on the above data appear in Attachment 1, and we will be pleased to furnish more for the record.

2. ACCOMPLISHMENTS

As you know, we are constantly trying to identify opportunities to improve economy and effectiveness. Where possible, we make estimates of savings directly attributable to GAO recommendations. Such measurable savings amounted to $562 million in FY 1974, with actions resulting from our recommendations in 19 departments and agencies. $166 million of these savings will recur annually.

Two examples of actions taken as the result of our findings are:

--$145 million in savings resulted from cancellation of outstanding orders of the military services for materiel no longer considered to be needed. The recommendations for improved inventory practices, identified by our studies, will result in recurring annual savings estimated at $100 million.

--$40.7 million in additional revenues were obtained by a nationwide Internal Revenue Service program to identify and collect taxes from taxpayers who either failed to file or were delinquent in filing Federal Highway Use Tax returns. Almost $18 million of such collections will recur annually.

In addition, numerous actions resulted in financial savings which could not be fully or readily measured. Examples include: consolidating the Navy's reserve fleet maintenance and preservation activities; delaying purchases of foreign currency not needed for current operations; providing more economical upkeep and management of residential properties acquired by HUD; and diverting to productive uses some 400 man-years through revised Navy change-of-station travel policies.

Even more important are the large number of recommendations we made which, while not resulting in immediate dollar

savings, point the way to improved program effectiveness. For example, we found that despite two decades of study, the civil aviation midair collision problem persists. The principal reason for this slow progress has been inadequate analysis by the Federal Aviation Administration showing whether a solution is economically feasible, and if it is, which alternative--upgraded ground control with collision avoidance equipment, airborne equipment, or a combination of these--offers the best approach. As a result of our report, the Administrator of FAA has begun an indepth analysis of alternate solutions to the midair collision problem, which he believes will provide the basis for an FAA-recommended system.

We are pleased with our dollar savings and other accomplishments such as those outlined above. But the heart of our audit and review work lies in (1) Direct Assistance to Congress, and (2) Reviews of Program Results, Efficiency and Economy. I would like to discuss both of of these briefly.

3. DIRECT ASSISTANCE TO CONGRESS

This is the area which requires the principal increase in staff-years in FY 1976. Work which we classify under this category includes:

- Studies specifically directed by legislation.
- Committee and Member requests.
- Testimony at hearings.
- Staff assigned to Congressional Committees.
- Legal opinions.
- Advice on pending legislation.

. Accounting, auditing, and advisory services for House and Senate financial and administrative operations.

. Congressional liaison activities.

Because our direct assistance work, for the most part, is based on requests for performance of particular reviews, the work that we will do to directly assist the Congress in FY 1976 will follow from its interests and concerns at that time. The following examples of work recently completed, or being performed at the direct request of committees and Members of Congress illustrate the diversity and range of work in this category.

--Citizen Protection. We reviewed security at the Lorton Correctional Institution and pointed out areas in which security should be tightened by better management.

--Criminal Justice. We reviewed the administration of programs under the Criminal Justice Act in the U.S. District Courts and the District of Columbia Superior Court.

--Domestic Intelligence. We are currently reviewing domestic intelligence activities of the Federal Bureau of Investigation.

--Energy Data Availability. Following a review of the need for a centralized energy data bank, we pointed out various deficiencies in present energy data systems and concluded that, although it would be feasible to develop an effective centralized system, it would take several years and would require enabling legislation.

--Public Safety. Responding to requests of numerous Members of Congress we are reviewing the actions taken by the Agency for International Development and the Department of Defense to comply with legislative requirements to terminate public safety assistance to foreign countries.

--Internal Revenue. At the request of the Joint Committee on Internal Revenue Taxation, we are reviewing the Internal Revenue Service's audit and taxpayer service activities, and the regulatory activities of the Bureau of Alcohol, Tobacco, and Firearms, Department of the Treasury.

--Nuclear Testing. We recently furnished information, at his request, to the Chairman, Research and Develop-

ment Subcommittee, Senate Armed Services Committee, on the United States' capability to promptly resume nuclear testing in the atmosphere.

--Postal Operations. We reviewed military postal operations at the request of the Chairman, Senate Appropriations Committee, to assess the need to support costly military postal operations in view of the statutory responsibility of the U.S. Postal Service for delivering mail.

--Revenue Sharing. Currently, we are conducting in-depth case studies of revenue sharing in 26 units of local government. We are inquiring into such matters as fiscal condition, civil rights record, public participation in the local budgetary process, and the impact of revenue sharing on local tax rates.

--Impoundment Decisions. At the request of Senate and House Appropriations and Budget Committees we made an analysis of the Impoundment Control Act of 1974 (Title X of Public Law 93-344) and rendered a legal opinion to the Congress on the Act. Our opinion was designed to establish clearly the manner in which GAO's role would be carried out and to provide the Congress a resolution of conflicting interpretations.

--Service Academies. At the request of several Members of Congress, we are making a review of the Service Academies (Army, Navy, Air Force, Coast Guard, and Maritime). Our work will cover cadet attrition rates, cost of operations, and academic programs.

This year we provided to the Chairmen of the Appropriations Committees the first annual report of summaries of conclusions and recommendations for Committee use in reviewing agency budgets. Separate reports for the Department of Defense and Civil Agencies were presented. We believe that these summaries will be of value in identifying opportunities for cost reductions.

4. PROGRAM RESULTS REVIEWS, AND REVIEWS OF ECONOMY AND EFFICIENCY

Reviews in this category are performed in fulfillment of our responsibility to the Congress under the Budget and Accounting Act of 1921 and subsequent legislation. In recent years the Legislative Reorganization Act of 1970, and now

the Congressional Budget and Impoundment Control Act of 1974 have highlighted the role that reviews of program results can play in assisting the Congress with its legislative, as well as its oversight, responsibilities. Hence while continuing reviews of economy and efficiency of ongoing operations, we are increasing our emphasis on reviews of program effectiveness.

Through our program planning system we are increasingly correlating our work so as to examine program interrelationships on major issues of highest concern to the Congress. An example of this synthesizing approach is our plan for work involving energy problems. We plan to give priority to that work which will enable us to contribute to solutions in connection with:

--Energy conservation.
--Energy research and development.
--Federal proprietorship of energy resources.
--Energy data collection and analysis.

Our new "Office of Special Programs" (OSP) will give its attention to correlating all GAO work and work planning in the areas of energy, materials, and food. Other divisions and offices will perform similar functions in assigned areas.

A few examples of recently completed self-initiated reviews follow:

--Health Assistance. Following a survey of the eligibility of medically needy individuals under the Medicaid program in Illinois and New York City, we reported that the Department of Health, Education, and Welfare regulations on how States determine the eligibility of medically needy individuals appeared to be inadequate. We reported that, during the period covered by our survey, payments of between $1.8 million to $4 million per month were made in New York City to ineligible individuals.

--Postal Operations. We reported that, to a certain extent, the careless handling of sorted mail had defeated the objectives of mechanization in sorting operations and added to the cost of mail delivery. Our report included recommendations which should help reduce letter-sorting machine errors, improve environmental conditions, establish work standards, and expedite the flow of mail to its proper destination.

--Vocational Education. In reporting on vocation education program operations in seven States, we made recommendations which should help to direct Federal funds to to achieve the purposes intended, improve the planning for delivery of vocational education, better target Federal funds to areas of need, expand training options, and more appropriately consider the impact of changing manpower requirements.

--International Food Shortages. A recent report to the Congress summarized attempts by the United States and international agencies to deal with current food problems. It was provided to the Congress in time to be of use in the November 1974 United Nations-sponsored food conference. After completing a series of planned reviews, we will prepare a comprehensive report which will discuss significant issues raised in our individual reviews, and the progress made by both the United States and the international community to improve existing programs and devise new ways to meet food challenges facing the world.

--Air Defense. In reports and testimony to the Congress, we questioned the effectiveness of the $4 billion Airborne Warning and Control System (AWACS) to perform its primary mission of controlling aircraft in a European combat environment. We worked with experts appointed by the Secretary of Defense at the recommendation of the Chairman, Senate Armed Services Committee, to look into the viability of the system. The findings of these experts confirmed the importance of considering the questions we had raised before a Secretary of Defense decision to proceed with this program is made.

--Aircraft Engine Development. In a recent report to the Congress we pointed out that new aircraft engines were being prematurely qualified for production. This results in production funds, and operations and maintenance funds, being used to develop these engines, rather than R&D funds.

5. COMMENTS ON OTHER PROGRAM CATEGORIES

All of our program categories are described in detail in the Justification of Estimates. My comments thus far have

covered the larger of our work programs. I would like now to highlight the remaining categories only very briefly.

a. Examination of agencies' financial systems, transactions, accounts, and reports. No change in the overall level of effort--243 staff-years--is planned in FY 1976. However, we will rebalance our use of resources to stress more heavily the manner in which accounting systems contribute to agency operations.

Flexibility to reprogram our staff is enhanced by the continuing drop in staff-years required at Military Finance Centers as a result of the installation of more accurate pay systems, and the improvement in the quality of agency audits. This rebalancing permits us to focus our effort on audits of systems rather than on detailed transactions. Further, new authority contained in the General Accounting Office Act of 1974 giving us discretion to audit Government corporations at least every three years, instead of annually, will permit more efficient scheduling of staff resources.

b. Financial management improvement programs. Here again we expect to maintain a constant effort of 125 staff-years, both in FY 1975 and FY 1976. Excellent progress is being made toward achieving our objective of having all Federal agency accounting systems approved by the end of FY 1980. To achieve this goal we must review and approve more than 160 systems designs in the next 6 years. While statements of principles and standards have been approved for 98 percent of the systems, designs have been approved thus far for only 43 percent.

We will likewise continue strong participation in FY 1976 in the Joint Financial Management Improvement Program, with the major objective of developing cooperative projects with the full participation of agency personnel.

c. Claims settlement and debt collection activities. We are planning a slightly reduced level of effort in FY 1976 (137 staff-years compared to 144 in FY 1975) in anticipation of the economies which will result from the automation of accounts receivable and accounts payable functions during calendar year 1975.

As you know, this category includes our work in settling claims by and against the United States. By so doing we provide aggrieved parties with an impartial and independent settlement of their claims at little or no expense to them. At the same time this function reduces the burden of the courts and that of the Department of Justice, which otherwise might result from litigation instituted by such aggrieved parties.

The volume of payment claims against the United States continues at a level of approximately 9,000 per year.

Debt claims referred to us by various agencies in FY 1974, for adjudication and/or collection, amounted to approximately 34,000.

d. Legal services and decisions. As you know, our legal work extends to virtually the full-range of Government receipt and expenditure activity. This work involves:

. Preparation of legal decisions on questions within the jurisdiction of the Comptroller General.

- Preparation of legal decisions in response to requests of unsuccessful bidders.
- Furnishing legal reference and legislative services.
- Legal review of audit reports.
- Legal services to Committees and Members of the Congress.
- Legal services to Divisions and Offices of GAO.

The last identified function has continued to grow in magnitude and importance to our audit divisions and we plan to augment that staff in FY 1976 by 3 staff-years. A small increase of 2 staff-years in the Office of General Counsel will also be required in its Direct Assistance to Congress work.

--Executive Direction and Management Services. This program category includes all other activities of the Office concerned with managing and supporting the work of our operating divisions and offices. Its staffing will remain relatively stable through FY 1976 except for:

--The growth in our Upward Mobility training programs (26 staff-years offset by a decrease of 7 in other special pools).

--Continued development of GAO internal staffs for the training and development of its personnel, and for the improvement of internal financial management systems (15 staff-years).

--Addition of 2 staff-years to other functions required to assist the Comptroller General, including the identification and programming of work in high-priority issue areas.

CONCLUSION

In summary, the General Accounting Office has ahead a most challenging period of responding to the new demands

placed upon it by the Congress, increasing its capability to conduct budgetary analyses, phasing out of the Office of Federal Elections, and effectuating an orderly transfer of the transportation rate audit function to the General Services Administration. Attachment II shows the proposed changes in staff-years for each component of the General Accounting Office in FY 1976.

My associates and I will now be happy to answer any questions you may have.

ATTACHMENT I

REPORTS TO COMMITTEES AND MEMBERS OF CONGRESS
FISCAL YEAR 1974 AND
FIRST 9 MONTHS OF 1975 AND REQUESTS
ON HAND AT MARCH 31, 1975

	Number of Reports		
	FY 1974	9 Months of FY 1975	Requests on Hand 3/31/75
House Committee:			
Appropriations	16	13	15
Armed Services	6	6	2
Government Operations	23	19	24
Post Office and Civil Service	15	5	9
Banking and Currency	2	--	2
Education and Labor	3	3	4
Interstate and Foreign Commerce	2	--	6
Public Works	2	--	4
Foreign Affairs	5	--	1
Interior and Insular Affairs	1	--	1
Judiciary	--	2	7
Merchant Marine and Fisheries	3	3	2
Science and Astronautics	1	1	4
Permanent Select Committee on Small Business	3	1	3
Veterans Affairs	--	--	1
Ways and Means	--	--	4
Agriculture	2	--	--
Select Committee on House Beauty Shop	2	--	--
Select Committee to Regulate Parking	1	--	--
International Relations	--	4	5
Congressional Rural Caucus	--	--	1
Total House	87	57	95
Senate Committee:			
Appropriations	6	13	31
Special Committee on Aging	2	1	3
Armed Services	8	6	5
Aeronautical and Space Sciences	1	--	--
Finance	1	6	5
Foreign Relations	4	4	1
Post Office and Civil Service	2	--	1
Interior and Insular Affairs	4	2	5
Government Operations	7	6	17

	Number of Reports		
	FY 1974	9 Months of FY 1975	Requests on hand 3/31/75
Senate Committee (cont.):			
Judiciary	6	2	3
Labor and Public Welfare	9	--	11
Public Works	3	3	4
Permanent Select Committee on Small Business	--	2	--
Commerce	1	7	7
Agriculture and Forestry	3	1	4
Veterans Affairs	2	--	2
Rules and Administration	1	--	--
Select Committee on Nutrition and Human Needs	3	--	--
Banking, Housing, and Urban Affairs	--	3	2
Total Senate	63	56	101
Joint Committee:			
Atomic Energy	1	1	1
Economic	6	5	9
Internal Revenue Taxation	1	--	10
Congressional Operations	--	1	--
Printing	1	2	2
Defense Production	--	--	1
Total Joint	9	9	23
Total All Committees	159	122	219
To Officers of the Congress	8	4	4
Total All Committees and Officers of the Congress	167	126	223
Individual Requests by Members and Officers of Congress	241	237	311
Total Committees and Members	408	363	534
Reports to Congress as a whole	145	145	
Grand Total	553	508	

ATTACHMENT II

PLANNED APPLICATION OF RESOURCES BY DIVISIONS AND OFFICES

Division or Office	Total Staff-Years, (Including field time and consultants) FY 1975	FY 1976	Change	Reference**
. Office of the Comptroller General	14	14	--	E
. Special Staff Services	20	20	--	F
. Office of the General Counsel	232	237	+5	G
. Assistant Comptroller General Policy and Program Planning	38	41	+3	H
. Assistant Comptroller General, Special Programs	127	163	+36	I
. Federal Personnel and Compensation Division	253	268	+15	J
. Financial and General Management Studies Division	414	451	+37	K
. Joint Financial Management Improvement Program	10	10	--	L
. General Government Division	432	454	+22	M
. International Division	231	246	+15	N
. Logistics and Communications Division	471	475	+4	O
. Manpower and Welfare Division	661	715	+54	P
. Procurement and Systems Acquisition Division	528	532	+4	Q
. Resources and Economic Development Division	519	555	+36	R
. Transportation and Claims Division - Functions to remain*	181	171	-10	S
. Field Operations Division	205	210	+5	T
. Assistant Comptroller General, Management Services	456	490	+34	U
Net GAO Ongoing Staff-Years	4,792	5,052	+260	
* Transportation functions which will be transferred to GSA	438	404	(34)	S
	5,230	5,456		

**See Justification of Estimates FY 1976.

BUDGET INCREASE

Mr. STAATS. Of the total figure that you mentioned, which we are requesting for 1976, this, incidentally, is an increase of $14.4 million over our 1975 budget, including the salary increase supplemental.

I will give you a breakdown of that in just a second. About two-thirds of this amount will be needed to finance our current level of operations. In other words, for the increase I am talking about here. The remaining one-third will provide for an increase in the total of 260 average employees.

INCREASE IN PER DIEM AND MILEAGE ALLOWANCES

On page 2, we point out, and we give you again a breakdown, but we refer here to the increase in per diem and mileage allowances which, for the purposes of our internal budgeting, we have assumed will probably become effective around the 1st of May. We can't be certain of that.

Senator HOLLINGS. How much will be saved if it doesn't come along?

Mr. MORRIS. About $180,000, we estimate, sir.

Mr. STAATS. In our letter, which you were interested in, on how much we might possibly absorb on the pay cost, we felt we might have to assume an increase in the per diem and mileage allowances in the fiscal year.

If it doesn't take place, obviously that money, the $180,000 will not be needed.

[CLERK'S NOTE: The letters referred to can be found on pages 1337 and 1338 of the committee's hearings on the Second Supplemental Appropriations Act, 1975.]

SUMMARY OF BUDGET ESTIMATES

On page 3, we give you the further breakdown on our request for 1976, which again adds up to the $14.4 million. The annualization of the 1975 pay increase, plus promotions, periodic step increases, and so forth, adds up to $5.3 million.Then we have a factor here for the increase in the level and the cost of inflation in supplies, equipment, and so forth, $3.8 million and the one-time costs of transferring the rate audit functions to GSA, which we estimate to be around $700,000.

Then, the $4.6 million again is costs incident to the increase in the permanent staff if Congress approves our request.

STAFF-YEAR REQUIREMENTS

On page 4, we developed the staff requirements for 1976, which is 5,456 staff-years. That compares with 5,230, which is authorized for 1975.

The figure that we are asking contemplates that the transportation audit function will decrease by 34 staff-years.

Senator HOLLINGS. Why is only 94 of that increase of 260 located in the field and 166 scheduled for Washington? It seems to me that the increase in work is really in the field and not in Washington.

Mr. STAATS. I guess we would have to say it is both. I think we can develop that a little bit more later on here as we go through the statement. But overall, we have now in the field about 2,000 of our total. So the ratio hasn't changed really very much.

STAFF-YEAR GRADE LEVEL

Senator HOLLINGS. Last year we approved 24 new GS–15's, and, am I correct that you are asking for another 25 in this additional 260?

Mr. STAATS. I don't have those precise figures in mind, but we do have an analysis I know here of the breakdown by grade. I think you have to recognize, though, that when we project grade levels, either simply for purposes of putting it in the budget to derive a dollar figure, that doesn't necessarily mean it will be filled at that level. It all depends on who we recruit and how many people we promote, and so on.

That we can't estimate 100 percent this much in advance.

Also on page 4, we point out here that in developing our estimate we ask our office and Division Directors to give us their best judgment of what they are going to need.

Their total was 650, compared with the 260, which we have included. We have made this adjustment not on the basis that those people could not be used effectively, but rather as you know we recruit most of our people at the college level.

It is a question always of how fast you can take in people at that level and develop them and make them productive staff members.

EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

On the bottom of page 4, we have prepared a progress report on our Equal Employment Opportunity Program. The number of minority and women employees has increased further as a percentage of our total employees in grades GS–5 and above level.

[CLERK'S NOTE: The progress report referred to can be found on pages 944–945.]

FEDERAL WOMEN'S PROGRAM COORDINATOR

Senator HOLLINGS. How about the Federal Women's Program Coordinator? How long has that position remained vacant?

Mr. STAATS. We are recruiting. I don't know whether we have made a commitment on it yet or not.

Mr. MORRIS. We are very close.

Mr. CONRARDY. Mr. Chairman, we have been interviewing and are in the process of selecting a Coordinator.

Senator HOLLINGS. Hasn't that position been in being since September of last year?

Mr. CONRARDY. Since last year, yes.

Mr. STAATS. The minorities, if you include women, I guess they consider themselves a minority, represent about 40 percent now of our college recruits, about 17 percent of those are white women and the remainder are various categories of non-whites.

Senator HOLLINGS. What about the part-time status of the GAO Director of Equal Employment Opportunity?

Mr. STAATS. Mr. Conrardy is the Director of that office. We have combined the function with the planning function in GAO. We feel we need to do this in relationship to a planned program; that is, our total program here.

We have a full-time Deputy and we have two other full-time positions plus the women's Coordinator. We believe that it has worked very well on this basis.

The question of whether the Director is full time or not is I think really kind of a subordinate issue. I think the main question is what kind of a job are we doing. On this account, I believe we are doing a very good job. We are spending a good deal of money on our program.

It is going to increase next year, by about a $½ million; up to about $1.3 million we will be spending for our equal employment and upward mobility program.

PERSONNEL DEVELOPMENT AND IMPROVEMENT PROGRAM FOR PERSONNEL TRANSFERRING TO GSA

Senator HOLLINGS. Does not Public Law 93–604 require the GAO to establish and carry out a continuing program of personnel development and improvement for the employees to be transferred to GSA?

Mr. STAATS. That has developed very well. We have staff here who can give you the details on it if you would like to go into it at this point.

Senator HOLLINGS. Yes. Who is familiar with that?

Mr. SULLIVAN. I am Director of the Transportation and Claims Division, and that provision is in the Act that is transferring the audit responsibilities to GSA. I think it is the sense of the provision that the committee considering the bill recognized the continuing programs that we have in GAO and their desire that those programs continue up to the date of the transfer and hopefully beyond that with GSA. We are working to bring that about.

Mr. STAATS. We have been working, Mr. Chairman, with GSA. The law not only contemplates that we will have a program prior to the transfer, but that they will continue a program. I think from the standpoint of the employees that is most important, that this be a continuing effort.

Beginning about 3 years ago, we developed a program specifically for our transportation employees so that we could train them for positions of greater responsibility.

Essentially, what is contemplated in the law, as I think the committee report will support, is a continuation really of what we had started before the law was enacted. So there is nothing new in the law, particularly beyond what we had already in process at the time it went into effect.

The committee report recognizes this. I think what they were interested in, in particular, was that we not only continue it up to the time of transfer, but also that it be continued after the transfer takes place.

PLANNED APPLICATION OF STAFF RESOURCES

If you would like me to continue, on page 6, we give you a further breakdown of this total. I would call your attention there to two things: line A which shows the growing number of staff which is contemplated for direct assistance to Congress, and we will develop that a little bit later.

That is one line I would like to call your attention to. The other is the bottom line on the numbers of people who would be transferred, as we now anticipate, to the GSA, the transportation audit functions that you have just mentioned.

FISCAL YEAR 1975 REDUCTION

Senator HOLLINGS. How about the next figure, 5,230, the total estimated staff-years in 1975. Isn't that the same that you originally estimated last year?

Mr. STAATS. That is for this year, right.

Senator HOLLINGS. Last year you had that as the level of your original request. If I remember, the House had given you a $445,000 cut, and you said that was going to wreck the program. However, we went along with the $445,000 cut and now you end up with the same 5,230 staff-years for 1975. There must have been a lot of fat in your original estimate.

Mr. STAATS. That is not my recollection.

Senator HOLLINGS. What was the estimate last year?

Mr. MORRIS. Last year we did have 5,230.

Senator HOLLINGS. And now you estimate the same 5,230 with the $445,000 cut?

Mr. MORRIS. The House did authorize an average staff of 5,230 with the $445,000 reduction. We have found, sir, that this year with the grade mix that we are actually experiencing we will probably utilize about 5,210 staff-years.

So the money available will finance our final realization of about 5,210 staff-years. This, I might add, is the closest we have ever come to achieving our budget average in the history of GAO. It is less than one-half of 1 percent of a shortfall against that goal.

Mr. STAATS. But the committee report, as I recall it, was very specific that they were authorizing the full numbers of positions.

Mr. KELLER. I think the position was taken by the committee that it didn't think we could staff up full time, but the committee allowed the positions but funded the positions for only 9 months.

Mr. MORRIS. I have a report from last year which does state that the committee has allowed the positions, the average provides a staff of 5,230 staff-years in 1975. That is the statement from the House Report, sir.

Senator HOLLINGS. How do you do that with less money?

Mr. MORRIS. As I say, sir, the grade mixes we are actually experiencing, the moneys needed to pay the staff, and the actual staffing we are experiencing, will be somewhat less than 5,230.

So we are actually financing only that number for which we have money.

Senator HOLLINGS. Yet we gave you $445,000 less money to do the same thing. This is delightful. You are getting the same number

of jobs, the same staff, and you seem happy. Now how about taking out another $445,000 so I will be happy?

Mr. MORRIS. Sir, our goal is to utilize the payroll dollars actually allowed us and to come as close to the 5,230 as we can.

Senator HOLLINGS. There had to be a lot of water in that $445,000.

Mr. MORRIS. Sir, the average of our staff compensation is around $18,000 to $20,000. This would require about a 20-year shortfall, which is what we hope to achieve under the $445,000 reduction.

Mr. STAATS. The money in the staff-years here have to be separated for budgeting purposes. We still are budgeting on the basis of the number of positions which the Congress authorizes.

But the mix in terms of grade levels and the timing in which they have been put on board is a variable here.

HIGHLIGHT OF MAJOR INCREASES IN STAFF RESOURCES AND IMPACT OF RECENT LEGISLATION

Page 7 is simply a further detailed explanation of the previous table. So I would like to turn to page 8. We have had three recent legislative actions which we would like to call your attention to, because they bear on our budget request.

TRANSFER OF TRANSPORTATION RATE AUDIT TO GSA

One is the law which you have already cited, the General Accounting Office Act of 1974, which does provide for the transfer of the transportation rate audit function, transportation audit function. We are assuming that this will take place in early October.

Senator HOLLINGS. Let me ask these questions right now at this point, Mr. Staats, on behalf of our Chairman, Mr. McClellan. He says that on pages 3 and 4 and later on 8, you indicate that the proposed transfer to GSA of GAO personnel involved in the transportation rate audit work will involve costs to the GAO of $700,000 and will reduce staffing by 34 staff-years. Why is that transfer expected to take as long as 1 year to complete?

Mr. STAATS. The law provided that it could not take place prior to that time.

Senator HOLLINGS. It takes an entire year to do that?

Mr. KELLER. Under the law, it could not take effect before October 1, 1975.

Senator HOLLINGS. I have a copy of Public Law 93–604 and section 203(a) says:

> not earlier than October 1, 1975, and not later than September 30, 1976.

Mr. KELLER. Actually, Mr. Chairman, we contemplate the transfer about October 15, during October of this year.

Senator HOLLINGS. Of this year?

Mr. KELLER. Of this year 1975.

Senator HOLLINGS. So you could do that in a very short time?

Mr. KELLER. Yes, sir. It is coming along very well and I think we will probably make it.

TRANSPORTATION RATE AUDIT TRANSFER COSTS

Senator HOLLINGS. Senator McClellan also asks: "What are the total funds requested by GAO for this transportation rate audit work in fiscal year 1976?"

Mr. STAATS. We are financing the whole program. We will transfer the money along with the function to GSA. The $700,000 would be the cost of the actual physical move, if I understand it correctly.

Senator HOLLINGS. Is that the total amount?

Mr. MORRIS. That is the transition costs.

Mr. KELLER. The total amount comes, Mr. Chairman, to about $8,800,000.

Senator HOLLINGS. Does that include the special costs, I believe you referred to in your statement?

Mr. KELLER. That is right. That would cover, correct me if I am wrong, Mr. Morris, on the transfer costs—the moving costs, partitioning costs, and things of that type.

Senator HOLLINGS. I am trying to get the total cost for Senator McClellan.

Mr. KELLER. It would be $8,833,500.

Mr. STAATS. Including special one-time costs of approximately $700,000.

Senator HOLLINGS. Can we expect that the GAO's budget can be reduced by that amount next year?

Mr. KELLER. Next year?

Senator HOLLINGS. Yes.

Mr. STAATS. We have already taken it into account.

Mr. KELLER. This fiscal year 1976 we are required to pay for it because we are the transferring agency.

NON-APPROPRIATED FUND ACTIVITIES AUDIT

Senator HOLLINGS. Senator McClellan also asks: "How many staff personnel are presently at work on, or are to be assigned to the new GAO duties to conduct audits of non-appropriated fund activities in fiscal year 1976, and what are the costs associated with this work?"

Mr. STAATS. I don't have the specific figure. I am not sure we can do that without furnishing for the record the specific costs that we estimate. As you know, Mr. Chairman, this is a big business. There are about 1,900 of these. They are doing something like $6 billion a year in business. It is a matter which we have been concerned with in the past only to a very minimal degree.

So that in part, I think it is going to depend upon our ability to satisfy ourselves that the internal audit and the internal accounting systems of the non-appropriated fund activities are adequate. We are going to have to do some of this on an audit basis ourselves to test those.

Senator HOLLINGS. What we are trying to find out is what kind of set up GAO needs to answer those kinds of questions.

Mr. STAATS. We believe that the only real solution was to have the GAO authority to go into these non-appropriated activities but primarily again not to audit them in the same detail that we do other Federal programs because we could use our whole budget in this area alone.

We could expend, we think, an inordinate portion of our manpower if we tried to do a detailed audit of all of these programs.

As I say, there are 1,900 of them. There are almost 1,300 of them that have over $100,000 business a year. It is a big operation.

ESTIMATED MANPOWER REQUIREMENT

Mr. KELLER. To answer your question, if you like, we would be glad to give you an estimated manpower requirement.

Senator HOLLINGS. Let's give the best you can for the Chairman.

[The document follows:]

GAO STAFFING FOR NONAPPROPRIATED FUND AUDITS

As Mr. Staats has indicated, we are giving careful study to how best to audit these activities over the long term.

We now have a project team of three men examining the area in order to plan a long-term audit approach.

We have not requested any additional staff specifically for this function in FY 1976. We will fit the work decided upon into our overall schedule in accordance with priorities for all work assigned to the staff available for employee relations reviews (Section J of the Justification of Estimates).

Our best estimate is that a level of effort of up to 5 staff-years at headquarters, supported by up to 20 staff-years of field and overseas effort could prove productive. Examples of these reviews are shown on page J–7 of the Justification of Estimates.

However, it must be stressed that this a permanent responsibility and not one to be given attention only in one year.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS

Mr. STAATS. Now we are on page 9. The second statute is the Federal Election Campaign Act Amendments, which set up the new Federal Election Commission. The functions performed in our Office of Federal Elections will be transferred to the new Commission after it begins operation.

I might say here that they are now sworn in. The law provides that within 1 month after they appoint their General Counsel that we turn over our records to them and then we go out of business. Until then, we are required by law to continue the function.

REDUCTION OF ELECTIONS STAFF

Senator HOLLINGS. Can you give the committee some idea of just how that is going to happen with respect to this budget this year and next year? In other words, you had 108 staff-years budgeted for 1975, and now you project in this budget about 14. When is it to be reduced from 108 to 14?

Mr. HUGHES. Mr. Chairman, the operation started tapering off when the form and content of the new legislation became clear. Actually, in the fall, I guess, of last year was the big drop-off.

We reduced the size of the operation in Washington to 29 last October down to about 4. We discontinued altogether the field audit operation at that point. That involved the rest of the people. So when the legislation was enacted last year, the operation was essentially folded except for the maintenance of the public room, which the law requires, so that the campaign records are available in Washington.

Senator HOLLINGS. Do I understand that you have the staff of four plus the maintenance staff?

Mr. HUGHES. No; we have essentially four people working in the program now.

Senator HOLLINGS. So it came down from 108 to 4?
Mr. HUGHES. Yes.

REPROGRAMMING OF ELECTIONS STAFF

Senator HOLLINGS. What happened to those people? Specifically, I understand that you set up 59 additional staff members over there under the Assistant Comptroller General for special programs. That was never justified. How did you get that?

Mr. STAATS. We have a breakdown on that, Mr. Chairman. If you would be willing to hold that question for just a second.

Senator HOLLINGS. Sure. We can take it up whenever you want. I want to know, when you come down from 108, I am going to ask the question that the Comptroller General would ask of any other agency of the Government. What happened? Let's get rid of them. That is the quickest way to do what you want to do—economize.

Mr. STAATS. Mr. Chairman, I think we have to recognize here that we are getting requests all through the year, some of them very sizeable ones, where we have to go through an adjustment or reprogramming process to take care of our requirements.

CONGRESSIONAL BUDGET IMPOUNDMENT ACT

When we were here last year, you may recall we knew that the Congressional Budget Impoundment Act was under consideration and the prospects for its enactment were high. But we made very clear in our presentation that we were not providing any money in our budget for that purpose.

SMALL BUSINESS ADMINISTRATION

Similarly, we were hit with a request to do a study of the Small Business Administration, which is going to require about 70 full-time people this year and next year. We didn't ask for that. We opposed it. But they told us that the only way we could get the law through was to require a detailed audit office by office, of every activity of the Small Business Administration. That is going to require about 70 people. We didn't contemplate that either.

REPROGRAM OF STAFF RESOURCES

Senator HOLLINGS. We are not opposed to the SBA but that is not the same for the special programs. Until we approve it, how do you do it?

Mr. STAATS. We have to reprogram our staff. We have to do this all the time. We have to postpone audits to take on new studies. This is something that comes along and it is part of the management of the program of the GAO.

Similarly, we have had a heavy increase in the work for the Joint Committee on Internal Revenue—25 full-time people working on that.

REVIEW OF FBI'S DOMESTIC INTELLIGENCE OPERATIONS

We have had a request from the chairman of the House Judiciary Committee to look at the FBI's domestic intelligence operations. That is going to require a very sizable staff.

Senator HOLLINGS. That interests me because the House can take and handle an investigation of the intelligence activities which they are doing with a special committee. The Senate, under Senator Church, also has a special committee to investigate the intelligence activities.

But I can write you and say, "Mr. Staats, I want to have an investigation of the FBI." Can you do that?

Mr. STAATS. If you were the chairman of the Judiciary Committee of the Senate, we would have to do it.

Senator HOLLINGS. If I was a single Senator, you would not?

Mr. STAATS. Not necessarily.

Senator HOLLINGS. So I am the fellow who is the Senator in charge of your budget and I couldn't get it, but the chairman of the House Judiciary Committee could?

Mr. STAATS. I didn't understand your question.

Senator HOLLINGS. I can tell you right now we will reduce some of this budget and we will reduce the FBI investigation and tell the chairman of the Judiciary Committee to put it in.

HANDLING OF CONGRESSIONAL REQUESTS

Mr. STAATS. If you write me as chairman of this Appropriations Subcommittee, again by law, we are required to respond. You asked me whether we are required to do it. I am giving you the answer.

Senator HOLLINGS. Do you think an individual member can write you and by law you are——

Mr. STAATS. No; that is just the distinction I am trying to give you.

Senator HOLLINGS. All right; what is the distinction?

Mr. STAATS. By law we have to honor requests from committees. We consider a committee to include a subcommittee because we have to assume that a subcommittee chairman has the concurrence of the committee.

But an individual member writing us, we do not by law have to honor that request. As a general practice, we try to help him any way we can. But the legal distinction here is the committee request and the kinds of things that involve the Small Business Administration are written right into the statute. That is the kind of thing that we have to live with throughout the year in programming our staff.

COORDINATION OF CONGRESSIONAL REQUESTS

Senator HOLLINGS. But you don't coordinate these investigations with the action of the body itself? We now have each body investigating these, and you all carry on one, too. In other words, the Senate has voted an investigation of the FBI but a chairman of a committee could also ask and the GAO could be carrying on one at the same time?

Mr. STAATS. As a matter of fact, in this case, they are not duplicating each other because the Senate Committee, the Church Committee, according to the information we have from the staffs of those committees, will not be concerned with the domestic intelligence operations of the FBI.

Mr. KELLER. I might add, Mr. Chairman, the request from Chairman Rodino had come in quite awhile before the special committees were set up in the House and the Senate.

Senator HOLLINGS. On that basis, wouldn't it be forestalled then? What did Mr. Rodino in the House say? Let's take the situation exactly as you describe it.

First the committee asked for it; thereafter the body itself votes an investigation. Do you continue on with the committee's investigation?

Mr. KELLER. Unless we could negotiate ourselves out of it. I can't speak for Mr. Rodino, but suspect he would take a position as chairman of the House Judiciary Committee, that the committee still has an oversight responsibility for the FBI.

Senator HOLLINGS. I think we have to have some kind of better coordination because I am confident that the Church Committee will go into the FBI.

Mr. STAATS. This was precisely our question, Mr. Chairman. That is why we went to see them. They assured us they were not interested in the work we were doing for the Rodino Committee.

Senator HOLLINGS. That is a different thing, not to say they are not going to investigate the FBI.

Mr. STAATS. I really couldn't speak for the committee. All I can say is that as far as our work is concerned, they have assured us that there is no duplication.

Senator HOLLINGS. How would they know without investigating? What kind of investigation do they have in mind?

CHURCH COMMITTEE INVESTIGATION OF THE FBI

Mr. STAATS. You mean the Church Committee?

Senator HOLLINGS. Right. They are going to investigate the FBI.

Mr. STAATS. Primarily foreign intelligence, as I understood it, and the relationship of foreign to the domestic intelligence.

Senator HOLLINGS. How do you get the investigation of the domestic intelligence unless you get the principal agency involved?

Mr. STAATS. I guess only Senator Church can answer that question.

Senator HOLLINGS. I understand that Senator Church does have four task forces and one of them is the FBI. I just happened to have investigated all of them myself on the Hoover Commission 20 years ago. If you get one and don't get the other, particularly on the domestic intelligence——

Mr. STAATS. We are familiar with those four task forces.

Senator HOLLINGS. Then he has a task force on the FBI?

Mr. STAATS. It is not on the same matter that the House Judiciary Committee has asked us to do. Our purpose in raising the question was exactly the same question you are raising, which is whether both of us are doing the same thing.

Senator HOLLINGS. We will look into it further.

All right, sir. Go ahead.

CONGRESSIONAL BUDGET AND IMPOUNDMENT ACT

Mr. STAATS. On page ll, we outline the way we propose to proceed under the Congressional Budget and Impoundment Act. There are

three elements here. One is on budgetary and economic analysis and we have established an office for this purpose.

It will, to some degree, carry on the work that was already started under the Legislative Reorganization Act in 1970. This involves support for the committees and for the CBO. It also provides for support of all of the committees of Congress who will be involved in the legislation.

CORRESPONDENCE BETWEEN BUDGET COMMITTEE AND GAO

Senator HOLLINGS. Along that line, let's get right to the point made by Senator Muskie and the Budget Committee specifically, Mr. Staats, referring to the correspondence between you and the chairman of the Senate Budget Committee.

As I understand, you wrote a letter offering to perform the full services of the Congressional Budget Office and the full work of that committee?

Mr. STAATS. The correspondence arose by Senator Muskie writing us a letter, Mr. Chairman, in which he joined with the House in requesting that we perform the functions until the Congressional Budget Office was established. Do you have his letter to me, Mr. Chairman?

Senator HOLLINGS. I think January 31 is the——

Mr. STAATS. I thought it was an earlier letter.

Senator HOLLINGS. Was there a letter earlier than January 31?

Mr. STAATS. He wrote us concurrently with the House Budget Committee letter prior to the establishment of the Congressional Budget Office—January 31 is the date—in which he asked that we assist in performing the functions of the Congressional Budget Office until that office was established. This was done. I wrote him on February 6, pointing out that the office still had not been established, and we simply suggested that we were in a position, and we would be glad to perform the function on a continuing basis if he so desired. But we weren't pushing the idea at all.

Senator HOLLINGS. Wait a minute. Let's put your letter in.

COMMUNICATIONS

Mr. STAATS. We would be very happy to put both the exchange of letters in, Mr. Chairman, because I think our letter does fully spell out the need that we have in this area.

[The correspondence follows:]

LETTER FROM WALTER KRAVITZ

U.S. House of Representatives
COMMITTEE ON THE BUDGET
Washington, D.C. 20515

January 27, 1975

Mr. Elmer Staats
Comptroller General
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Staats:

In the absence of a Congressional Budget Office, the House Budget Committee would like the General Accounting Office and Congressional Research Service, jointly to prepare the report that the 1974 Budget Reform Act requires of the Congressional Budget Office on or before April 1st of each year. It is to be a report on fiscal and budget policy for the next fiscal year. The report should discuss alternative budget levels, in aggregate as well as for each major functional category of the budget. We realize that this is a big assignment and would expect to work closely with the ad hoc group in developing the material so as to be of maximum help not only to the House Budget Committee but for the Senate Budget Committee as well. We think it advisable that Harry Havens of the GAO staff and John Henderson of the CRS staff be appointed joint chairmen of this project. We would expect to receive a draft of the report by March 15th.

Your assistance in preparing this vitally needed report will be most appreciated and we would welcome any suggestions that would facilitate the development of the report.

Sincerely,

Walter Kravitz
Executive Director

LETTER FROM SENATOR EDMUND S. MUSKIE

United States Senate

COMMITTEE ON THE BUDGET
WASHINGTON, D.C. 20510

January 31, 1975

Mr. Elmer Staats
Comptroller General
U.S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Staats:

In the absence of a Congressional Budget Office, the Senate Budget Committee would like the General Accounting Office and Congressional Research Service, jointly to prepare the report that the 1974 Budget Reform Act requires of the Congressional Budget Office on or before April 1 of each year. It is to be a report on fiscal policy and budget policy for the next fiscal year. The report should discuss alternative budget levels, in aggregate as well as for each major functional category of the budget.

We realize that this is a big assignment and would expect to work closely with the ad hoc group in developing the material so as to be of maximum help not only to the Senate Budget Committee but for the House Budget Committee as well. We think it advisable that Harry Havens of the GAO staff and John Henderson of the CRS staff be appointed joint chairmen of this project. We will expect a draft report by March 15th.

We would be most appreciative of your assistance in preparing this vitally needed report. We would welcome any suggestions that would facilitate the development of the report.

With best wishes, I am

Sincerely,

Edmund S. Muskie
Chairman

LETTER FROM ELMER B. STAATS

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

February 6, 1975

The Honorable Edmund S. Muskie
Chairman, Committee on the Budget
United States Senate

Dear Ed:

Your request of January 31 that we and the Congressional Research Service jointly prepare the report that the 1974 Budget Reform Act requires of the Budget Office each year is quite agreeable with me.

If the idea has any appeal to you at all, I would be happy to explore with you and Brock Adams the possibility that we and the CRS might perform all the functions of the Congressional Budget Office. I can see that the idea might have some practical advantages in our ability to draw on all the resources of both organizations. As you may know, we have set up an Office of Program and Budget Analysis under Harry Havens. He is working under Sam Hughes' general direction and is an excellent man.

I would be happy to explore the idea with you further should you have any interest.

Best wishes.

Sincerely,

Elmer

Elmer B. Staats

LETTER FROM SENATOR EDMUND S. MUSKIE

March 11, 1975

Dear Elmer:

This is in response to your letter of February 6 suggesting the possibility of subsuming the functions of the Congressional Budget Office in the Office of Program and Budget Analysis. As you know, subsequent to your suggestion, we did arrive at an agreement with the House Committee on a Director of the CBO, and that office is now under way.

Frankly, however, until I received your letter I was unaware that you had created an Office of Program and Budget Analysis. I was quite surprised to learn of this new office since it was not contemplated in the Budget Act. I have subsequently examined your budget request for this office for fiscal year 1976, as presented in the appendix to the President's budget, and I have also reviewed what appears to be the table of organization for that office. What I have seen is disturbing. It appears that the office you have created has a function virtually undistinguishable for all practical purposes from the Congressional Budget Office created by the Budget Act. Moreover, it proposes a staffing and operation level of $460,000 this year and almost $1.5 million next year.

You know the important weight I put on the role of the General Accounting Office in the new budget process. We gave very careful consideration to the role of the GAO in drafting the Budget Act. We envisioned clearly defined areas in which we expected the GAO to exercise substantial responsibility. Nowhere, however, am I aware that we either contemplated or intended to countenance the creation of an office such as the Office of Program and Budget Analysis seems to be.

I will appreciate hearing from you at your earliest convenience regarding the justification for this operation. I also strongly suggest that you take no step toward further implementation of this enterprise until we have had a chance to thoroughly discuss it. As you know, the Budget Committee has jurisdiction to review on a continuing basis the conduct of the CBO of its functions and duties. We also have responsibility for continuing review of additional budget reform proposals. These responsibilities certainly extend to eliminating overlap and redundancy in the Congressional apparatus for dealing with the budget.

With best wishes, I am

Sincerely,

Edmund S. Muskie

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LETTER FROM ELMER B. STAATS

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

March 15, 1975

The Honorable Edmund S. Muskie
Chairman, Committee on the Budget
United States Senate

Dear Ed:

This is in response to your letter of March 11, 1975, regarding the functions of our Office of Program and Budget Analysis. Your letter expresses some surprise at the establishment and size of the Office and asks that I provide you with a justification for the Office and its functions.

Various titles of the Congressional Budget and Impoundment Control Act clearly contemplate that the General Accounting Office provide general support to the Congressional Budget Committees and the Congressional Budget Office. For example, section 201 of the Act in title II, which establishes the Congressional Budget Office, provides in subsection (e), "Relationship to Other Agencies of Congress," that the Director of the Office "is authorized to obtain information, data, estimates, and statistics developed by the General Accounting Office, the Library of Congress, and the Office of Technology Assessment, and (upon agreement with them) to utilize their services, facilities, and personnel with or without reimbursement. The Comptroller General, the Librarian of Congress, and the Technology Assessment Board are authorized to provide the Office with the information, data, estimates, and statistics, and the services, facilities, and personnel, referred to in the preceding sentence."

However, titles VII, VIII, and X each assign specific responsibilities to the GAO which must be closely coordinated with the functions and activities of the Congressional Budget Committees and the Congressional Budget Office if they are to serve their intended function effectively.

Title VII of the Act deals with program review and evaluation and is a reenactment and strengthening of comparable portions of the Legislative Reorganization Act of 1970. This title rather explicitly directs us to carry on a wide range of program evaluation activities, including the development of methods for review and evaluation of Government programs; assistance to committees in developing statements of legislative objectives; and methods for assessing program performance and actual review and evaluation of the results of Government programs. Section 204(a) directs the Comptroller General to review and evaluate the results of Government programs and activities. Section 204(b) directs

him to assist committees in developing statements of legislative objectives and goals. Section 204(c) directs the Comptroller General to "develop and recommend to the Congress methods for review and evaluation of Government programs and activities . ." Section 204(d) authorizes the establishment of an Office of Program Review and Evaluation in GAO. Section 204(e) calls for the Comptroller General to review GAO's evaluation activities in his annual report to the Congress.

We chose not to designate an Office of Program Review and Evaluation, per se, out of a concern that the term "Program Evaluation" might run the same course as PPB did a few years ago. It seemed preferable to us to establish an office with a somewhat more general name and to continue to regard program evaluation as one of the broad functions of the General Accounting Office, engaged in by a range of disciplines rather than solely by specialists in program evaluation in a single office, even though we have some of these on our staff. We also felt that this title would more nearly describe the role which this Office would play in support of the House and Senate Budget Committees.

During consideration of the legislation by the Subcommittee, chaired by Senator Metcalf, there was strong support for a provision to prescribe by statute the organization, function and duties of this office within the General Accounting Office. I strongly opposed this because I did not believe it wise to prescribe the internal organization of the General Accounting Office by statute. I did indicate to the Subcommittee, however, that I would give serious consideration to the establishment of such an office administratively if the statutory requirement were omitted. This was agreed upon.

The Office of Program and Budget Analysis could conceivably be relabeled if that would clarify matters from your perspective. I would certainly not have any great problem with that. It is partly a matter of semantics.

Title VIII, dealing with fiscal and budgetary information and controls, again gives the GAO rather specific responsibilities. These congressional information responsibilities need to be fulfilled in a manner which fits the needs of program and budget evaluators as well as congressional information needs. The work going on under title VIII covers the full range of tasks set forth in the various sections and subsections of the title, but we are placing particular emphasis on the identification of congressional information needs; the development of improved access by the Congress to needed information; and to improving the quality of the basic data by improving program definitions and classifications.

In a somewhat different context, section 203(b) directs the Comptroller General to "furnish, upon request, assistance to committees and joint committees of Congress and, to the extent practicable, to Members of Congress in appraising and analyzing fiscal, budgetary, and program-related data and information secured from the sources identified in such inventory and directory." This is, in a sense, a completely new responsibility for GAO which must be conducted in a manner consistent with plans and operations of the Budget Committees and the Congressional Budget Office.

Title X, dealing with impoundments, is sufficiently on both our minds to probably make unnecessary any detailed discussion. Suffice it to say that we have spent a great deal of time in recent months on impoundment work and we see little prospect of relief. Coordination and control of this work appears almost certain to become a very significant part of the ongoing work of the Office of Program and Budget Analysis.

In summary, it seems to us that if we are to carry out these functions we need to establish a point in the GAO at which we can consolidate the hundreds of reports and recommendations which the GAO develops over the course of a year and synchronize this consolidation with the timing of the congressional budget process. This task requires the synthesis of information in a form and on a time schedule which is completely unique to the GAO. In carrying out this task, it seems to us vital that the Budget Committees, the Congressional Budget Office, and the GAO be in a position to carry on, and that they should engage in, the dialogue necessary for the congressional budget process to succeed.

We have been working at this task in rather close contact with the staff of both the House and Senate Budget Committees and have discussed what we are doing with Alice Rivlin. We do not believe that we are duplicating the work of the Committee staff or that we will be duplicating the work of the Congressional Budget Office, when it is in operation. Also, we have been responding to your recent request and that of the House Budget Committee (copies of each enclosed) to assist in the development of material for the April 15 report of the Budget Committees to their respective bodies. We believe that we have done this in a manner both helpful and non-duplicative.

I will be pleased to discuss any aspect of this matter at your convenience. If members of your staff would like to explore the matter in more detail, I know Mr. Hughes would be more than glad to review our plans as they have developed to date. Our primary objective is to be of maximum assistance to the legislative Budget Committees. As you know, we consider the successful implementation of the Congressional Budget and Impoundment Control Act a matter of very high priority and a task that will require the best efforts of all of us.

With best wishes,

Sincerely,

Elmer B. Staats

PROVISIONS OF BUDGET AND IMPOUNDMENT ACT

Mr. STAATS. There are three titles in that legislation, as you know. This is all spelled out in my reply back to him. I think it is also worth emphasizing here that we were under very considerable pressure in the development of that legislation to establish a separate office by law.

They wanted to establish it by law. I said I did not agree with the principle of having a statutorily prescribed organization within the GAO. But I was willing to consider establishing a separate office as long as it was not prescribed in the statute.

Consequently, Congress authorized the establishment of an office in the GAO, called "Office of Program Review and Evaluation."

I did not particularly like that title. We called it an Office of Program and Budget Analysis. That is really what it comes down to.

Senator HOLLINGS. Let me get that straight. That is exactly what we are talking about, that particular provision in section 204 of Public Law 93–344, dated July 12, 1974, that authorized the establishment of an Office of Program Review and Evaluation by the Comptroller General. Is that right?

Mr. STAATS. That is right. I have given it a little different title.

Senator HOLLINGS. That is the same thing?

Mr. STAATS. The same thing.

STAFFING PROVISIONS

Senator HOLLINGS. I will read from the language of section 204(e).

In carrying out his responsibilities under this section, the Comptroller General is authorized to establish an Office of Program Review and Evaluation within the General Accounting Office. The Comptroller General is authorized to employ not to exceed 10 experts——

Mr. STAATS. No; read the rest of it.

Senator HOLLINGS [continuing].

On a permanent, temporary, or intermittent basis and to obtain services as authorized by section 3109 of title 5, United States Code, but in either case at a rate (or the daily equivalent) for individuals not to exceed that prescribed, from time to time, for level V of the Executive Schedule under section 5316 of title 5, United States Code.

Mr. STAATS. Title 5 relates to the authority to pay at certain salary levels. All that provision did was simply to authorize 10 more supergrades for people up to grade or level V.

Senator HOLLINGS. You consider it to be an office substantially in excess of 10?

Mr. STAATS. Ten related only to people that could be employed above grade 15.

Senator HOLLINGS. What did you contemplate it to be, this law, how big an office?

Mr. STAATS. The 10 had no bearing upon the size of the office, Mr. Chairman. That is the point I am trying to make.

Senator HOLLINGS. But the point I am trying to make is what size office do you contemplate?

Mr. STAATS. We have that here. We would be glad to give that to you.

Senator HOLLINGS. Wait a minute. Just tell me right now because I am going to come back to the letter because I want to get this clear in my mind. In your reply on February 6, and I read from paragraph 2, this is Mr. Staats addressing Senator Muskie:

> If the idea has any appeal to you at all, I would be happy to explore with you and Brock Adams the possibility that we and the CRS might perform all the functions of the Congressional Budget Office. I can see that the idea might have some practical advantages in our ability to draw on all the resources of both organizations. As you may know, we have set up an Office of Program and Budget Analysis under Harry Havens. He is working under Sam Hughes' general direction and is an excellent man.

[CLERK'S NOTE: See page 874.]

The letter from Senator Muskie, and he is the one really raising this point. He said that he had no idea that you were creating an Office of Program and Budget Analysis in his letter of March 11 that I also inserted in the record.

[CLERK'S NOTE: See page 875.]

At the bottom of the first page of that letter of March 11, he says:

> You know the important weight I put on the role of the General Accounting Office in the new budget process. We gave very careful consideration to the role of the GAO in drafting the Budget Act. We envisioned clearly defined areas in which we expected the GAO to exercise substantial responsibility. Nowhere, however, am I aware that we either contemplated or intended to countenance the creation of an office such as the Office of Program and Budget Analysis seems to be.
>
> I will appreciate hearing from you at your earliest convenience regarding the justification for this operation. I also strongly suggest that you take no step toward further implementation of this enterprise until we have had a chance to thoroughly discuss it. As you know, the Budget Committee has jurisdiction to review on a continuing basis the conduct of the CBO of its functions and duties. We also have responsibility for continuing review of additional budget reform proposals. These responsibilities certainly extend to eliminating overlap and redundancy in the Congressional apparatus for dealing with the budget.

Mr. STAATS. I hope you would also take note of the letter which I wrote back in response to that letter.

Senator HOLLINGS. We have included that.

[CLERK'S NOTE: See page 876.]

Mr. STAATS. In that letter we outline the four different titles of the bill which specifically give us responsibilities.

Apparently, in his letter to me, he had overlooked the point which I have just made, that the Congress authorized and very closely came to directing that we establish such an office within the GAO. I think he overlooked that point.

Senator HOLLINGS. Have you discussed it with him?

Mr. STAATS. I discussed with him in that letter there I would be happy to change the title of that office if he felt it would make any difference. I think the title of the office is of small consequence.

Senator HOLLINGS. I do, too. I think the main thing is you have two new efforts on both the House and Senate side, the joint effort and the Congressional Budget Office and we wouldn't need a Congressional Budget Office in GAO.

Mr. STAATS. No; we are not proposing that.

RESCISSIONS AND DEFERRALS

Senator HOLLINGS. When it comes to the matter of rescissions and deferrals on our Budget Committee, we have two people handling those, how many does the GAO have?

Mr. STAATS. We have three staff-years just on deferrals and rescissions, plus support from elsewhere within GAO, including the General Counsel.

Mr. Chairman, let me, if I may, say this: We are dealing here essentially with how the GAO organizes itself internally to carry out statutory responsibilities. I have established this office with the idea that we would bring together various disciplines, but principally economists who could help us deal with some of the audit responsibilities of the GAO.

It was not established solely to support the Congressional Budget Act. This is the point I want to make very clear to everybody concerned as I tried to do in this letter to Senator Muskie.

I have had no response to that letter, but let me give you, if I may, some examples of the kinds of audit areas that we would like to have this office take the leadership for us within the GAO.

CONSUMER PRICE INDEX

For example, we have now 50 million people in this country whose incomes are indexed to the consumer price index: 45 million of those people get their incomes from the Federal Government. These are people on Social Security, on the Food Stamp Program, and Federal Retirees.

We have considerable reservation with respect to both the system of indexing as well as whether the CPI is the best measure for it.

This is going to require the kind of staff that we put in here to get into it. I think this is the kind of thing which we can offer a useful report to the Congress on. That would be one kind of thing.

FEDERAL FINANCING ACT

That will be of interest to the Budget Committees, but it is also going to be of interest to a lot of other committees of the Congress, just like all of our other work. To give you another example, the Congress two years ago established the Federal Financing Act to try to reduce the cost of marketing securities in the private market.

We have some indication that the Act isn't working out as well as Congress intended it to. The kind of staff we are talking about here will be the kind that I can assign to that work.

INCOME SECURITY

Let me give you a third example. We are spending roughly 44 percent of the Federal budget today on income security, all types of programs for income security in this country, medicaid, medicare, and the whole list.

We would like to get our staff involved in this from the standpoint of whether we can develop not only appraisal of the operation of the present system but maybe come up with some suggestions on how we can improve those programs and possibly save some money.

INFLATION IMPACT STATEMENTS

I will give you a fourth example. The Executive Branch now is attempting to develop what they call inflation impact statements.

Senator Nunn, in the hearings on the new productivity legislation, asked us if we could come up with something which would be more satisfactory in terms of looking not only at the effect of Government actions, regulations, and otherwise on inflation, but also on productivity and on their economic consequences.

I am giving you these four illustrations to indicate that the staff we are asking for in this office of program and budget analysis is not just for the purpose of supporting the Congressional Budget Act, as Senator Muskie apparently implied.

FREEDOM TO ORGANIZE GAO INTERNALLY

I have got to have freedom to organize the GAO internally to discharge our statutory responsibilities. To change the title of the office, if that would be of any help in reducing the confusion, I can do that anytime I wish.

BUDGET AND IMPOUNDMENT ACT TITLES

Senator HOLLINGS. Let's go right back to the statute that you talk about that you have got to comply with. It is the one that we wrote and we weren't talking about the cost of living, the consumer price index, and the 45 million on Social Security.

Didn't you say in your letter on March 11, that you would be glad to take over the duties of the Congressional Budget Office?

Mr. STAATS. I simply made that as a suggestion, which he apparently did not like. That ended it.

Senator HOLLINGS. But it appeared to him, and it appeared by that correspondence, that you are ready to sort of set that up under the statutory authority.

Mr. STAATS. We are not asking for any money for that purpose.

STAFFING FOR OFFICE OF PROGRAM AND BUDGET ANALYSIS

Senator HOLLINGS. I don't know whether we are going to play hide-and-seek. How many people do you have in here now? 104?

Mr. STAATS. We have 104 budgeted for this year.

Senator HOLLINGS. 104, and you ask for an increase of 61.

Mr. STAATS. The staff furnished your staff yesterday with a table which I had not seen until last night, Mr. Chairman. (NOTE.—The table as printed on page 888.)

I am not suggesting at all that we will not need some staff to support that Act. Those three titles will require some staff.

In part, those three titles incorporate bodily parts of the 1970 legislation. The title VIII particularly, is that and title VII is almost a duplicate of what was in the 1970 legislation.

But the information that you have before you is erroneous in that it can be read to imply that all of this is required just to meet the Congressional Budget Act. That is what is disturbing to me.

Senator HOLLINGS. It is disturbing to us. That is right. We see 104 and we don't know where the 104 comes from except that we

know that the Elections Campaign office is closed down from 108 to 4, as Mr. Hughes has attested to, and then we find them over here, and we see the letter volunteering to take over the full duties of the CBO and they have 104 there. Now you want 60-some more.

Mr. STAATS. I am afraid I am not making my point clear.

ORIGIN OF OPBA STAFFING

Senator HOLLINGS. Let's look on page 10 of your statement (see page 859):

> By utilizing staff already assigned to Congressional information service activities, and those previously planned to work on Federal Election activities, as well as by closer management of our staff-years both at headquarters and in the field, we are able to apply 104 staff-years to these functions in fiscal year 1975. We propose to expand this effort to 165 staff-years in fiscal year 1976.

You then list them down there. The budgetary and economic analysis, the Congressional financial and budgetary information needs, and the impoundment analysis. That is exactly what the statute talks about.

You give us a chart to support it. You give us your letter that started it. I don't know how—I am not trying to make a case, but I don't know how to get a better impression.

What you have done is taken from Federal elections and started this whole new effort.

Mr. STAATS. What we need to do for you, and what I will suggest, is to try to break out the ongoing work that we had under the 1970 legislation which was picked up and incorporated in the new legislation and which we would have had to do even if there hadn't been any Congressional Budget Act and then show you the expansion that we contemplate because of the new responsibilities we have.

I think that is the only way we can present it to you.

[The information follows:]

The actual data in respect to expenditure of staff-years on Office of Federal Elections functions are as follows:

The original FY 1975 budget prepared in the fall of calendar year 1973 envisioned a program of 110 staff-years, including 34 at headquarters and 76 of regional office time for FY 1975.

The actual usage for the full year will be 14 staff-years at headquarters and 11 of regional office time—a total of 25 staff-years. Most of this effort has been spent and the residual staff at this time is 4 people at headquarters.

Of the 85 years not used by OFE, 49 were allocated to the Congressional Budget and Impoundment Control Act responsibilities, and the remaining 36 were devoted to other high priority GAO programs.

It should be noted that the staff established or planned, prior to passage of the Congressional Budget and Impoundment Control Act, was 55 of the 104 staff-years being applied in FY 1975. This includes both headquarters and field staff.

BUDGET COMMITTEE AND OFFICES

Senator HOLLINGS. It is clear in the intent that if there is going to be success for this new initiative in Congress, we have to have a House Budget Committee and a Senate Budget and a Congressional Budget Office.

For example, in the Senate we have only 60 or 61 staff members.

If you have 104 plus another 60-some and everything else like that, we are going to keep working and answering your questions. We could be working for you rather than the Senate in trying to effect some kind of discipline and budget restrictions in this Government of ours.

I am going to have to study the authority that you say you have. I am only reading your statement and your letters and everything else. It seems surprising to me that the GAO, that audits all of these agencies of government, would within its own agency, start transferring around without the knowledge of Congress, and worse yet, start a whole new office doing the very same thing that the Congress has started.

REPROGRAMMING OF GAO STAFF RESOURCES

Mr. STAATS. Mr. Chairman, if I may say so, we made it very clear in our presentation to you last year that we made no provision for the Congressional Budget Act and that we would have to provide for that within the funds that we were asking you for and the same thing applies to the study on the small business, the study on the IRS, and the study on all of these other things that we have set forth here.

We have to do this all through the year. We have to defer things. We have to delay work that we had contemplated on our own initiative. These requests come in literally from day to day, week to week. I don't see how you can write an Appropriation Act which would contemplate enactment of legislation where we would have to carry out some responsibilities and still be able to manage the office at all.

REPROGRAMMING OF THE CRS

Senator HOLLINGS. We are used to reprogramming. We handle them in this committee practically every day. Last year we handled a reprogramming of the CRS. They had additional workload due to the Committee Reform Amendments of 1974 pertaining to other body. They were asked to prepare a description of every bill and resolution. They didn't have any money approved for this new function that was assigned to them.

So they came to us for a reprogramming of some funds they had accrued due to delays in filling some high level positions. They made the request both to Congressman Casey, on the House side, and this committee on the Senate side, and within 6 days they had our approval.

We follow that procedure in all of the other committees with all of the agencies. I don't see why we can't follow it with the General Accounting Office.

Mr. STAATS. I think we would have to be here literally almost every week if we did. I don't see how we could operate or you could operate either.

Senator HOLLINGS. I think we will make it clear in this bill before we pass this bill. I can tell you that. You go right ahead.

Mr. STAATS. We will supply you with the analysis on the support for the Congressional Budget Act; the changes in that Act which are required.

Senator HOLLINGS. We will leave the record open at this point for the analysis and any other information you provide on this. As you can see, I'm not satisfied, and I'll be interested in what you provide.

[The information follows:]

The Honorable Ernest F. Hollings
Chairman, Subcommittee on Legislative
Senate Committee on Appropriations

Dear Mr. Chairman:

The questions raised at the hearing on the GAO 1976 appropriation request lead me to believe that an erroneous impression may have developed, particularly as a result of a table supplied a day prior to the hearing at the request of the Committee staff, that the GAO has currently allocated and plans a sizeable increase in FY 1976, in direct support of the congressional Budget Committees and the Congressional Budget Office. That is not the case and I hope through this letter to clarify the situation.

The table and our 1976 budget presentation do reflect an increase in work which would be useable by the Congressional Budget Committees and the Congressional Budget Office. The table gives our best estimates as to each title of the Congressional Budget and Impoundment Control Act with which additional work is most directly associated. Please note that only the work done under titles I and II is in support of the new Budget Committees and the Congressional Budget Office, and that these titles require only 28 staff-years in FY 1976.

Titles VII, VIII, and X involve work in support of Congress as a whole. They are consistent with, and a reflection of, growing congressional interest in program evaluation; with the often-expressed congressional concern over difficulty in getting adequate and timely information; and with congressional-executive disagreements over impoundments. These concerns have been reflected in the growing number of congressional requests to the GAO for assistance in program audits and evaluations. For the work on titles VII, VIII, and X we are requesting 136 staff-years in FY 1976.

Of course, this constantly increasing congressional interest in these matters is totally consistent with the congressional concern with the Federal budget, with better analysis and evaluation of the results of Federal programs, and with the careful consideration of alternatives to existing programs and executive branch budget proposals for new programs. Thus, in response to requests from the Congress, it will be necessary for us to devote increased resources to this work, more or less independently of the new Congressional Budget processes, per se.

It would be as inaccurate to characterize these activities as being in direct support of the Congressional Budget Committees or the CBO as it would be to so characterize work of the GAO under the Budget and Accounting Act of 1921 and subsequent statutes. In this connection, it is important to note that titles VII and VIII are substantially carried over from the Legislative Reorganization Act of 1970, but with changes that increase GAO responsibilities and workload.

Attached, for easy reference, is a marked copy of titles VII and VIII of the Congressional Budget and Impoundment Control Act, indicating new responsibilities and those incorporated from the Legislative Reorganization Act of 1970.

We, of course, intend to respond to requests from Congressional Budget Committees to the best of our ability, as we are required to do by law to Committees of the Congress having jurisdiction over appropriations, revenues, and expenditures. Section 201(e) of the Congressional Budget and Impoundment Control Act also authorizes the Congressional Budget Office to seek assistance from the General Accounting Office as well as the Congressional Research Service and the Office of Technology Assessment. We also intend to cooperate with the CBO as fully as possible. However, it has not been possible as yet to make any specific estimates as to the requirements of that Office for our assistance or, for that matter, the similar requirements of the House and Senate Budget Committees. In fact, the question as to whether assistance to this Office should be on a reimbursable basis, as required by the rules of the Senate, is still open.

Any staff support the General Accounting Office renders to the Congressional Budget Committees and the Congressional Budget Office must be evaluated in the context of the fact that titles VII, VIII, and X of the Act places upon GAO three different kinds of basic and continuing responsibilities to the Congress as a whole--program evaluation, congressional information improvement, and impoundment evaluation. As mentioned earlier, titles VII and VIII were largely carried over from the Legislative Reorganization Act of 1970. Title X is of particular concern to the Appropriations Committees but places upon the GAO the responsibility to report to the Congress as a whole.

Work of the GAO under all three titles will be useful to the Congressional Budget Committees and the Congressional Budget Office, in our judgment, but it will also be of most interest to the Legislative Committees, the Appropriations Committees, and the Government Operations Committees. Thus, while the association of some GAO staff with particular titles of the Act is obvious, the work required by titles VII, VIII, and X must be done if the GAO is to fulfill its responsibilities and to respond to requests made of it from different Congressional sources.

One of our objectives in performing program evaluation work is to provide tradeoff analyses and cost benefit studies dealing with major program segments, either as they exist or as presented in the President's budget. For example, we hope to be able to develop alternative approaches to subjects such as income security with the hope that we can suggest either improvements in existing programs or alternatives which would accomplish the objective more effectively. These efforts will result in reports to the Congress as a whole in the same manner as other GAO reports.

The title of our new Office of Program and Budget Analysis seemed to us more descriptive than the title contemplated in the Congressional Budget and Impoundment Control Act, which authorized the establishment of an Office of Program Review and Evaluation. If the title used is confusing because of its inclusion of the word "budget", we would be happy to consider a change.

I hope the foregoing is helpful to you. I would welcome an opportunity to discuss this matter in more detail, as I consider it of extreme importance both to the GAO and to Congress.

Sincerely yours,

Comptroller General
of the United States

Budget Reform Act Resources

	FY 1975	FY 1976
Staff-Years	104	165
Dollars	$2,183,600	$3,479,900

Resources Related to Titles of Act By GAO Organization

Office	Related Title of Budget Reform Act	FY 1975 Staff-Years	FY 1975 Dollars	FY 1976 Staff-Years	FY 1976 Dollars
ACG-Special. Prog.	Title X	3	$ 68,800	5	$ 117,400
	Titles VII, VIII, Plus Spec. Prog.	3	68,800	3	70,400
Sub total		6	$ 137,600	8	$ 187,800
Cong. Info. Service 1/	Title VII	24	$ 508,000	37	$ 808,500
	Title VIII	53	1,123,000	62	1,354,700
Sub total		77	$1,631,000	99	$2,163,200
Office of Prog. Budget Analysis 2/	Title I	5	$ 98,800	14	$ 272,500
	Title II	5	98,800	14	272,500
	Title VII	5	98,800	14	272,500
	Title VIII	6	118,600	16	311,400
Sub total		21	$ 415,000	58	$1,128,900
Total		104	$2,183,600	165	$3,479,900

Summary By Title of Act

Title	FY 1975 Staff-Years	FY 1975 Dollars	FY 1976 Staff-Years	FY 1976 Dollars
I	5	98,800	14	$ 272,500
II	5	98,800	14	272,500
VII	30	629,700	52	1,104,500
VIII	60	1,264,500	79	1,689,600
X	3	68,800	5	117,400
Spec. Programs 3/	1	23,000	1	23,400
Totals	104	$2,183,600	165	$3,479,900

1/ This activity was created to fulfill responsibilities given GAO under the Legislative Reorganization Act of 1940. The Budget Reform Act restated and expanded these responsibilities giving GAO the lead role of activities under Title VIII.

2/ Office was recently created and exact allocation between titles of the Act cannot be determined until the office has had more experience in the various activities.

3/ A portion of the activities of the Office of Assistant Comptroller General is related to supervision of the Office of Special Programs and not related to the Budget Reform Act.

Pub. Law 91-510 October 26, 1970

TITLE II—FISCAL CONTROLS

PART 1—BUDGETARY AND FISCAL INFORMATION AND DATA

BUDGETARY AND FISCAL DATA PROCESSING SYSTEM

SEC. 201. The Secretary of the Treasury and the Director of the Office of Management and Budget, in cooperation with the Comptroller General of the United States, shall develop, establish, and maintain, insofar as practicable, for use by all Federal agencies, a standardized information and data processing system for budgetary and fiscal data.

Pub. Law 93-344 July 12, 1974

TITLE VIII—FISCAL AND BUDGETARY INFORMATION AND CONTROLS

AMENDMENT TO LEGISLATIVE REORGANIZATION ACT OF 1970

SEC. 801. (a) So much of title II of the Legislative Reorganization Act of 1970 (31 U.S.C. chapter 22) as precedes section 204 thereof is amended to read as follows:

"TITLE II—FISCAL AND BUDGETARY INFORMATION AND CONTROLS

"PART 1—FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION

"FEDERAL FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION SYSTEMS

A "SEC. 201. The Secretary of the Treasury and the Director of the Office of Management and Budget, in cooperation with the Comptroller General of the United States, shall develop, establish, and maintain, for use by all Federal agencies, standardized data processing and information systems for fiscal, budgetary, and program-related data and information. The development, establishment, and maintenance of such systems shall be carried out so as to meet the needs of the various branches of the Federal Government and, insofar as practica-
B ble, of governments at the State and local level.

A - Responsibilities incorporated from 1970 Act.

B - New responsibilities under 1974 Act.

BUDGET STANDARD CLASSIFICATIONS

SEC. 202. (a) The Secretary of the Treasury and the Director of the Office of Management and Budget, in cooperation with the Comptroller General, shall develop, establish, and maintain standard classifications of programs, activities, receipts, and expenditures of Federal agencies in order—

(1) to meet the needs of the various branches of the Government; and

(2) to facilitate the development, establishment, and maintenance of the data processing system under section 201 through the utilization of modern automatic data processing techniques.

The initial classifications under this subsection shall be established on or before December 31, 1971.

(b) The Secretary of the Treasury and the Director of the Office of Management and Budget shall submit a report to the Senate and the House of Representatives on or before September 1 of each year, commencing with 1971, with respect to the performance during the preceding fiscal year of the functions and duties imposed on them by section 201 and subsection (a) of this section. The reports made under this subsection in 1971 and 1972 shall set forth the progress achieved in the development of classifications under subsection (a) of this section. The reports made in years thereafter shall include information with respect to changes in, and additions to, classifications previously established. Each such report shall include such comments of the Comptroller General as he deems necessary or advisable.

"STANDARDIZATION OF TERMINOLOGY, DEFINITIONS, CLASSIFICATIONS, AND CODES FOR FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION

B

"SEC. 202. (a) (1) The Comptroller General of the United States, in cooperation with the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Director of the Congressional Budget Office, shall develop, establish, maintain, and publish standard terminology, definitions, classifications, and codes for Federal fiscal, budgetary, and program-related data and information. The authority contained in this section shall include, but not be limited to, data and information pertaining to Federal fiscal policy, revenues, receipts, expenditures, functions, programs, projects, and activities. Such standard terms, definitions, classifications, and codes shall be used by all Federal agencies in supplying to the Congress fiscal, budgetary, and program-related data and information.

"(2) The Comptroller General shall submit to the Congress, on or before June 30, 1975, a report containing the initial standard terminology, definitions, classifications, and codes referred to in paragraph (1), and shall recommend any legislation necessary to implement them. After June 30, 1975, the Comptroller General shall submit to the Congress additional reports as he may think advisable, including any recommendations for any legislation he may deem necessary to further the development, establishment, and maintenance, modification, and executive implementation of such standard terminology, definitions, classifications, and codes.

"(b) In carrying out this responsibility, the Comptroller General of the United States shall give particular consideration to the needs of the Committees on the Budget of the House and Senate, the Committees on Appropriations of the House and Senate, the Committee on Ways and Means of the House, the Committee on Finance of the Senate, and the Congressional Budget Office.

"(c) The Comptroller General of the United States shall conduct a continuing program to identify and specify the needs of the committees and Members of the Congress for fiscal, budgetary, and program-related information to support the objectives of this part.

"(d) The Comptroller General shall assist committees in developing their information needs, including such needs expressed in legislative requirements, and shall monitor the various recurring reporting requirements of the Congress and committees and make recommendations to the Congress and committees for changes and improvements in their reporting requirements to meet congressional information needs ascertained by the Comptroller General, to enhance their usefulness to the congressional users and to eliminate duplicative or unneeded reporting.

"(e) On or before September 1, 1974, and each year thereafter, the Comptroller General shall report to the Congress on needs identified and specified under subsection (c); the relationship of these needs to the existing reporting requirements; the extent to which the executive branch reporting presently meets the identified needs; the specification of changes to standard classifications needed to meet congressional needs; the activities, progress and results of his activities under subsection (d); and the progress that the executive branch has made during the past year.

"(f) On or before March 1, 1975, and each year thereafter, the Director of the Office of Management and Budget and the Secretary of the Treasury shall report to the Congress on their plans for addressing the needs identified and specified under subsection (c), including plans for implementing changes to classifications and codes to meet the information needs of the Congress as well as the status of prior year system and classification implementations.

AVAILABILITY TO CONGRESS OF BUDGETARY, FISCAL, AND RELATED DATA

SEC. 203. Upon request of any committee of either House, or of any joint committee of the two Houses, the Secretary of the Treasury and the Director of the Office of Management and Budget shall—

(1) furnish to such committee or joint committee information as to the location and nature of data available in the various Federal agencies with respect to programs, activities, receipts, and expenditures of such agencies; and

(2) to the extent feasible, prepare for such committee or joint committee summary tables of such data.

"AVAILABILITY TO AND USE BY THE CONGRESS AND STATE AND LOCAL GOVERNMENTS OF FEDERAL FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION

"SEC. 203. (a) Upon request of any committee of either House, of any joint committee of the two Houses, of the Comptroller General, or of the Director of the Congressional Budget Office, the Secretary of the Treasury, the Director of the Office of Management and Budget, and the heads of the various executive agencies shall—

"(1) furnish to such committee or joint committee, the Comptroller General, or the Director of the Congressional Budget Office information as to the location and nature of available fiscal, budgetary, and program-related data and information;

"(2) to the extent practicable, prepare summary tables of such data and information and any related information deemed necessary by such committee or joint committee, the Comptroller General, or the Director of the Congressional Budget Office; and

"(3) furnish to such committee or joint committee, the Comptroller General, or the Director of the Congressional Budget Office any program evaluations conducted or commissioned by any executive agency.

B

"(b) The Comptroller General, in cooperation with the Director of the Congressional Budget Office, the Secretary of the Treasury, and the Director of the Office of Management and Budget, shall—

"(1) develop, establish, and maintain an up-to-date inventory and directory of sources and information systems containing fiscal, budgetary, and program-related data and information and a brief description of their content;

"(2) provide, upon request, assistance to committees, joint committees, and Members of Congress in securing Federal fiscal, budgetary, and program-related data and information from the sources identified in such inventory and directory; and

"(3) furnish upon request, assistance to committees and joint committees of Congress and, to the extent practicable, to Members of Congress in appraising and analyzing fiscal, budgetary, and program-related data and information secured from the sources identified in such inventory and directory.

"(c) The Comptroller General and the Director of the Congressional Budget Office shall, to the extent they deem necessary, develop, establish, and maintain a central file or files of the data and information required to carry out the purposes of this title. Such a file or files shall be established to meet recurring requirements of the Congress for fiscal, budgetary, and program-related data and information and shall include, but not be limited to, data and information pertaining to budget requests, congressional authorizations to obligate and spend, apportionment and reserve actions, and obligations and expenditures. Such file or files and their indexes shall be maintained in such a manner as to facilitate their use by the committees of both Houses, joint committees, and other congressional agencies through modern data processing and communications techniques.

"(d) The Director of the Office of Management and Budget, in cooperation with the Director of the Congressional Budget Office, the Comptroller General, and appropriate representatives of State and local governments, shall provide, to the extent practicable, State and local governments such fiscal, budgetary, and program-related data and information as may be necessary for the accurate and timely determination by these governments of the impact of Federal assistance upon their budgets."

ASSISTANCE TO CONGRESS BY GENERAL ACCOUNTING OFFICE

SEC. 204. (a) The Comptroller General shall review and analyze the results of Government programs and activities carried on under existing law, including the making of cost benefit studies, when ordered by either House of Congress, or upon his own initiative, or when requested by any committee of the House of Representatives or the Senate, or any joint committee of the two Houses, having jurisdiction over such programs and activities.

(b) The Comptroller General shall have available in the General Accounting Office employees who are expert in analyzing and conducting cost benefit studies of Government programs. Upon request of any committee of either House or any joint committee of the two Houses, the Comptroller General shall assist such committee or joint committee, or the staff of such committee or joint committee—

(1) in analyzing cost benefit studies furnished by any Federal agency to such committee or joint committee; or

(2) in conducting cost benefit studies of programs under the jurisdiction of such committee or joint committee.

TITLE VII—PROGRAM REVIEW AND EVALUATION

REVIEW AND EVALUATION BY STANDING COMMITTEES

SEC. 701. Section 136(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 190d) is amended by adding at the end thereof the following new sentences: "Such committees may carry out the required analysis, appraisal, and evaluation themselves, or by contract, or may require a Government agency to do so and furnish a report thereon to the Congress. Such committees may rely on such techniques as pilot testing, analysis of costs in comparison with benefits, or provision for evaluation after a defined period of time."

REVIEW AND EVALUATION BY THE COMPTROLLER GENERAL

SEC. 702. (a) Section 204 of the Legislative Reorganization Act of 1970 (31 U.S.C. 1154) is amended to read as follows:

"REVIEW AND EVALUATION

A "SEC. 204. (a) The Comptroller General shall review and evaluate the results of Government programs and activities carried on under existing law when ordered by either House of Congress, or upon his own initiative, or when requested by any committee of the House of Representatives or the Senate, or any joint committee of the two Houses, having jurisdiction over such programs and activities.

B "(b) The Comptroller General, upon request of any committee of either House or any joint committee of the two Houses, shall—

"(1) assist such committee or joint committee in developing a statement of legislative objectives and goals and methods for assessing and reporting actual program performance in relation to such legislative objectives and goals. Such statements shall include, but are not limited to, recommendations as to methods of assessment, information to be reported, responsibility for reporting, frequency of reports, and feasibility of pilot testing; and

"(2) assist such committee or joint committee in analyzing and assessing program reviews or evaluation studies prepared by and for any Federal agency.

Upon request of any Member of either House, the Comptroller General shall furnish to such Member a copy of any statement or other material compiled in carrying out paragraphs (1) and (2) which has been released by the committee or joint committee for which it was compiled.

"(c) The Comptroller General shall develop and recommend to the Congress methods for review and evaluation of Government programs and activities carried on under existing law.

"(d) In carrying out his responsibilities under this section, the Comptroller General is authorized to establish an Office of Program Review and Evaluation within the General Accounting Office. The Comptroller General is authorized to employ not to exceed ten experts on a permanent, temporary, or intermittent basis and to obtain services as authorized by section 3109 of title 5, United States Code, but in either case at a rate (or the daily equivalent) for individuals not to exceed that prescribed, from time to time, for level V of the Executive Schedule under section 5316 of title 5, United States Code.

"(e) The Comptroller General shall include in his annual report to the Congress a review of his activities under this section, including his recommendations of methods for review and evaluation of Government programs and activities under subsection (c)."

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

May 14, 1975

The Honorable Ernest F. Hollings
Chairman, Subcommittee on Legislative
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

We appreciate the opportunity to provide you with additional information which is directed toward clarifying the reasoning underlying our requested increases for GAO activities in support of the expanded responsibilities and additional workload for the Office.

Questions asked at our Appropriations Hearings, in subsequent meetings with you and Senator Muskie, and in a meeting with Budget Committee and Congressional Budget Office staffs, surfaced three kinds of concerns in the minds of the individuals with whom we met:

1. The relationship between the decline in staffing for campaign finance activities and increases in staffing for program analysis, congressional information services, and congressional budget support.

2. The statutory basis for the expansion of these activities, and

3. The relationship between these GAO activities and the responsibilities of the Congressional Budget Office.

First, with respect to the relationship between the decline in staffing for campaign finance activities and increases in staffing for program analysis, congressional information service and congressional budget support, there is no relationship other than coincidence in time. Staff for campaign finance activities were drawn almost entirely from other GAO activities, most from our field offices. Field staff generally worked only part time on campaign finance. They came from and returned to other work as staff auditors. Our problem in GAO is not to find work for staff in programs or projects which are being terminated, but to select the highest priority work for our staff to do. By way of illustration, we have a backlog today of over 1200 assignments requiring approximately 175,000 staff days to complete. New assignments are being started each month as we complete work.

The 104 staff years estimated in our budget submission for Fiscal Year 1975 for program analysis, congressional information services, and congressional budget support consisted of 55 staff years already available and reprograming of 49 staff years released by the phaseout of campaign finance activities. Name-by-name comparison of the staffing of campaign finance activities with staffing of new activities will demonstrate that campaign finance staff were not, for the most part, drawn upon in staffing the new activities. Rather, we recruited new personnel with special training and skills to perform these new duties.

With regard to the statutory basis for expansion of our program analysis, congressional information service and congressional budget support activities, we can start with the Budget and Accounting Act of 1921, section 312(a):

"The Comptroller General shall investigate, at the seat of government or elsewhere, all matters relating to the receipt, disbursement, and application of public funds, and shall make to the President when requested by him, and to Congress at the beginning of each regular session, a report in writing of the work of the General Accounting Office, containing recommendations concerning the legislation he may deem necessary to facilitate the prompt and accurate rendition and settlement of accounts and concerning such other matters relating to the receipt, disbursement, and application of public funds as he may think advisable. In such regular report, or in special reports at any time when Congress is in session, he shall make recommendations looking to greater economy or efficiency in public expenditures."

This broad and general authority was amplified and made more specific in the Legislative Reorganization Act of 1970. Sections 201 through 205 are quoted in their entirety in an enclosure. Section 204 reads as follows:

"(a) The Comptroller General shall review and analyze the results of Government programs and activities carried on under existing law, including the making of cost benefit studies, when ordered by either House of Congress, or upon his own initiative, or when requested by any committee of the House of Representatives or the Senate, or any joint committee of the two Houses, having jurisdiction over such programs and activities.

"(b) The Comptroller General shall have available in the General Accounting Office employees who are expert in analyzing and conducting cost benefit studies of Government programs. Upon request of any committee of either House or any joint committee of the two Houses, the Comptroller General shall assist such committee or joint committee, or staff of such committee or joint committee--

(1) in analyzing cost benefit studies furnished by any Federal agency to such committee or joint committee: or

(2) in conducting cost benefit studies of programs under the jurisdiction of such committee or joint committee."

Finally, the Congressional Budget and Impoundment Control Act of 1974 elaborates the authorities referred to above and increases the responsibilities of the Comptroller General in several respects. Title I creates the House and Senate Budget Committees. These committees are, of course entitled to the same services from GAO as other congressional committees. Title II establishes the Congressional Budget Office, and section 201(e) authorizes assistance by the GAO and other agencies of Congress to the Congressional Budget Office.

Title VII amends section 204 of the Legislative Reorganization Act of 1970 by directing the Comptroller General: to review and evaluate results of Government programs either upon request or upon his own initiative; to develop and recommend to the Congress methods for review in its evaluation of Government programs; and authorizes the establishment of an Office of Program Review and Evaluation. While this activity should be directly beneficial to the CBO and the new congressional budget process, it seems clearly intended to support other congressional activities as well: oversight, appropriations, and authorizations.

Title VIII also amends the Legislative Reorganization Act of 1970. Sections 201, 202 and 203 are expanded substantially, and the Comptroller General, in cooperation with others including the Director of the Congressional Budget Office, is directed by Section 202 to develop terminology, definitions and classifications for Federal, fiscal, budgetary, and program-

related data and information; to identify and specify the needs of the committees and Members of Congress for such information; to assist committees in developing their information needs; and to give particular consideration to the needs of the Budget and Appropriations Committees, the House Ways and Means Committee, the Senate Finance Committee, and the Congressional Budget Office.

Section 203 also gives the Comptroller General new responsibilities. Perhaps of most significance is section 203(b)(3) which directs the Comptroller General in cooperation with the Director of the Congressional Budget Office, the Secretary of the Treasury, and the Director of the Office of Management and Budget, to "furnish upon request, assistance to committees and joint committees of Congress and, to the extent practicable, to Members of Congress, in appraising and analyzing fiscal, budgetary, and program-related data and information secured from the sources identified in such inventory and directory

Sections 201 through 204 of the Legislative Reorganization Act of 1970, as amended by the Congressional Budget and Impoundment Control Act of 1974, are set forth in the enclosure in their entirety.

I have reviewed the statutes in this detail to emphasize that General Accounting Office responsibilities for congressional information services and for program review, evaluation, and analysis is long standing and has become more explicit in recent years. The growing congressional interest in GAO work of this sort is also reflected clearly in the pattern of committee and individual Member requests as well. More and more, these requests show a concern for analysis of program results. This increased emphasis on program analysis seems clearly consistent with, and supportive of, the needs of the Congressional Budget Office, the House and Senate Budget Committees, and the new congressional budget process. It seems equally clear that Title VIII, like Title VII, is intended to provide strengthened support for congressional oversight, authorization and appropriation activity as well.

I would like to turn now to the perhaps crucial question of the relationship between these expanded activities of GAO and the responsibilities of the Congressional Budget Office.

As we interpret the statutes we have referred to, and examine our own experience and resources, we believe GAO's responsibilities of concern here are in the areas of program auditing and program analysis; in the development of congressional information standards, definitions, indexes and records; and in assisting the Congress in using these basic materials. We do not see any of our work as inherently overlapping the work of the CBO as set forth in Title II of the Congressional Budget and Impoundment Control Act.

GAO and CBO (along with several other staff arms of the Congress) have the common objective of providing information and analysis which will be of assistance to the Congress in its responsibilities for setting national policy, authorizing Federal programs and activities, setting priorities among broad program areas and providing funds to carry out programs. While these responsibilities are conceptually distinguishable, they are a tightly interrelated continuum in actuality. Information, evaluation, and analysis with respect to the strengths and weaknesses of a particular program and with respect to alternative ways of achieving program objectives may be relevant to any or all congressional responsibilities for decisions affecting that program area whether the particular decisions relate to the budget, authorizations, appropriations, or oversight.

GAO responsibilities in the areas of financial auditing, accounting systems review, and management auditing do not seem to present any problem of relationship with the Budget Committees and the CBO. It is our work in what has been variously termed program results auditing, program analysis or program evaluation which is, on the one hand, likely to be most directly

supportive of the congressional budget process. but on the other hand presents some potentiality for overlap where work by GAO is relevant to budget considerations.

The responsibilities of the CBO as set forth in the Congressional Budget and Impoundment Control Act, especially in Section 202, are part of the continuum of program information, evaluation, and analysis to which we previously referred. GAO responsibilities for program results auditing clearly are part of the same continuum.

Regretably, our use of terms "budget" and "budget alternatives" at various places in our own budget justification has created an impression of duplication with CBO responsibilities. Our purpose instead was to indicate our intention to strongly support the new Office and the new process. More specifically, one of the frequent criticisms of GAO reports has been that their scope and timeframe did not permit them, for the most part, to be of great value in evaluation of the Executive budget, of appropriation requests, or in the authorization process. One of the principal functions of the new staff is to improve the usefulness of GAO work by broadening its scope and making reports more timely. Another is to glean from the large volume of reports we produce each year those findings relevant to the budget process, and make them available in timely and useful format. Our work with the executive branch agencies has made us sensitive to the possibilities for overlap and duplication among Federal programs and activities and alternative ways of funding programs.

The best way to avoid any possible duplication of work between CBO, and GAO is to define general areas of responsibility as clearly as possible and then have the two organizations maintain continuing communication and awareness of specific areas of investigation, audit, or analysis being performed by each. Experience should enable us to define areas of work effort with some precision, but we believe this will of necessity be an evolutionary process. We would welcome the leadership of the CBO in initiating this process and carrying it along.

In summary, our purpose in requesting the staff expansion in these areas is both to render as effective support as possible to the CBO and the new congressional budget process, and to improve our capacity to assist the Congress across the board as Title VII and VIII require. The size and complexity of the Federal budget, the corresponding numbers, size and complexity of the Federal programs, the tremendous resources devoted to the Executive budget process, all indicate that the Congress will need to fully utilize all its resources if it is to meet not just the new responsibilities imposed on it by the Congressional Budget and Impoundment Control Act, but its longer standing responsibilities as well.

We believe the resources we have sought will be effectively used to meet these congressional needs. I can assure you that our efforts will be in the areas I have indicated, and that we will cooperate with, and avoid duplication of effort with the CBO and other legislative agencies.

Sincerely yours,

Elmer B. Staats

Comptroller General
of the United States

LEGISLATIVE ACTIONS AFFECTING GAO

On page 13, we outline here for you the new legislative actions which affected our work load, the Energy Reorganization Act of 1974, which requires us to evaluate the effectiveness of the licensing and other regulatory activities of the newly established Nuclear Regulatory Commission.

Second, the International Air Transportation Fair Competitive Practices Act, which requires us to disallow any expenditures from appropriated funds for travel which is not on American lines.

The Trade Act of 1974, which requires us to make an analysis of the trade adjustment assistance programs under that legislation. It says we have to report the results by January 31, 1980.

CONGRESSIONAL INFORMATION SERVICES GROUP

Senator HOLLINGS. At that point, if you don't mind, Mr. Staats, let's turn back. On the Congressional Information Services Group, how does that differ from the Congressional Research Service of the Library of Congress?

Mr. STAATS. This all has to do with the standardized information system that is provided for in title VIII of the new legislation, Mr. Chairman.

Senator HOLLINGS. Why do you need a 36 percent increase?

Mr. HUGHES. Yes, sir. There is rather complex and detailed work involved in making more accessible to the Congress the information that is already available, making it more easily accessible and expanding the information base.

The title is quite explicit in the functions that are to be performed. We have been working with the Appropriations Committees staff, both in the House and the Senate, with the Budget Committees since they have been established, and more recently with the Congressional Budget Office.

The Executive Branch, notably OMB, is also in that act because the information, a lot of it, flows from there, including information that has to do with Budget status.

Mr. STAATS. The essential difference here, Mr. Chairman, is that under the 1970 legislation the responsibility was placed on the Treasury and OMB with cooperation from our office. Under this legislation, they turned it around. We have the direct responsibility for developing this kind of information.

We have been working with the Appropriations Committees, particularly in the House side on this, and it is just one mammoth undertaking. If we are going to do the job at all, we will have to have people to carry it out.

IMPOUNDMENT ANALYSIS FUNCTIONS

Senator HOLLINGS. Now, over on page 12, regarding Impoundment Analysis,

Senator McClellan asks: How many persons are assigned to work full time on impoundment analysis functions?

Mr. HUGHES. There are 3 staff-years in my office, Mr. Chairman, and 3 to 4 lawyers working on it currently, I think, essentially full

time. We are also drawing, on a part-time basis, on the rest of the institution for program expertise.

Senator HOLLINGS. So that is 4 plus 3?

Mr. HUGHES. About 6 staff-years.

Senator HOLLINGS. Impoundment and rescissions?

Mr. HUGHES. Yes.

Senator HOLLINGS. Both?

Mr. STAATS. Depending upon the particular impoundment that is involved, we have to draw the staff from the various divisions.

Mr. HUGHES. There are almost always questions concerning the significance of a particular impoundment, whether it is in fact a deferral or rescission, what the impact of withholding may be, etc. In dealing with those kinds of questions, that we use the program auditors to work with. They are part time.

Mr. STAATS. It is the impact requirement that we have to get people out into the agencies, talk with them, find out, make a judgment as to what the effect is going to be of a deferral or rescission. That is what we are required by the impoundment law to advise the Congress on.

Senator HOLLINGS. Thank you, please proceed with your statement.

SMALL BUSINESS AMENDMENTS, 1970

Mr. STAATS. The Small Business Amendments, 1970, that I have already referred to, are going to require something like 70 staff years.

RUSSIAN GRAIN TRANSACTIONS

Russian Grain Transactions— Senate Report on that asked that we review in detail the export reporting system placed into operation to determine the effect of that.

AMTRAK IMPROVEMENT ACT

The Amtrak Improvement Act makes us responsible for conducting an annual management audit. We include this; this is an annual requirement. We have to do not only a fiscal audit, but a management audit.

FEDERAL TRADE COMMISSION

House Report 93–1120 requires the Federal Trade Commission and the GAO to work together to resolve data reliability problems concerning the Federal Trade Commission's line-of-business program which we had previously identified.

DEPARTMENT OF DEFENSE STOCKPILING

The Conference Report on fiscal year 1975 DOD Appropriations, in September 1974, requested GAO to make an in-depth study of the program of the Department of Defense of stockpiling war materials or equipment for use by foreign countries and to report to the Committees on Appropriations.

D.C. HOME RULE BILL

The D.C. Home Rule bill requires us to make annual audits in connection with the District of Columbia's authority to borrow money in the open market rather than as in the past from the Treasury.

NEW FEDERAL PROGRAMS

Then, of course, we have large numbers of new Federal programs, and we have cited only four of these here, new statutes which require us to be involved.

The Solar Energy Research, Development and Demonstration Act.

The Housing and Community Development Act.

The Emergency Job and Unemployment Assistance Act.

The Office of Federal Procurement Policy Act.

Prior legislative actions have also continued to have a sizeable impact on our work load. For example, the Health Maintenance Organization Act of 1973 required GAO to perform rather extensive evaluation work in connection with the operations and impact of HMO program.

The requirement on which we are presently performing work will continue to require substantial resources for at least the next 2 years.

In addition to the above, the statutes setting up the new Commission on Federal Paperwork and the National Commission on Electronic Fund Transfers name the Comptroller General as a member.

We also expect to cooperate closely with the recently organized National Commission on Productivity and Work Quality in our efforts to measure and identify ways to increase productivity in the Federal Government.

PERFORMANCE HIGHLIGHTS

The next section of our presentation has to do with our Performance Highlights. I am not taking the time to read this except to point out on page 16 that the number of reports that we have made to Congress, committees, and members added up to 553 in fiscal year 1974.

Senator HOLLINGS. You say in there that there are 553 jobs done. Wouldn't that leave room for a commensurate reduction of personnel?

Mr. STAATS. We also have pending requests.

Senator HOLLINGS. So, you not only have personnel who have accomplished and completed the 553 projects, but you have got personnel to carry the ongoing work, as you take on some of these new assignments. That is the standard operating procedure and policy and approach that you use to work at GAO. Is that correct? You don't always ask for every new request, a new set of personnel?

CONGRESSIONAL REQUESTS

Mr. STAATS. No; we can't. Under the law, we have to initiate work as well as respond to requests from the Congress. These requests come in at the rate of 300 or 400 a month from the Congress.

Mr. KELLER. We have a problem here that is increasing all the time. We point out on page 17 that there has been a great increase from the Senate Appropriations Committee itself.

PRICING OF GOVERNMENT DOCUMENTS

Senator HOLLINGS. Before you get to the Senate Appropriations Committee, on the top of page 17, you get into the Government Printing Office and the GAO. We have a law as to the price of the publication, that is its cost, plus 50 percent. They are coming up here next week.

I think, Mr. Staats, you have a different view?

Mr. STAATS. Mr. Shafer who is head of our Logistics and Communications Division will respond to your question.

Mr. SHAFER. We really don't have a different view than the GPO. At the request of the Joint Committee on Printing, we did look into the pricing and publications and trace the pricing policy back to 1932.

The general pricing policy that has been followed by the Public Printers since that time has been to recover full cost, although in 1932 the basic premise for pricing was the printing and binding cost, plus 10 percent which was later increased to 50 percent. But historically, the Public Printers had recovered the full cost and deposited the excess receipts into the Treasury.

In view of the escalation of the costs to the Government Printing Office to print these publications, the Public Printer recently had to dramatically increase prices. We believe that the question of whether the Public Printer should recover full costs or partially subsidize the publications is a policy question to be decided by the Congress.

REQUESTS FROM THE SENATE APPROPRIATIONS COMMITTEE

Senator HOLLINGS. You were talking about the Senate Appropriations Committee, Mr. Staats. What is the present status of some 31 requests that you have from committee?

Mr. MORRIS. These are all in process at this time, sir. We have a detailed listing of them by title.

WORK PERFORMED AND IN PROCESS FOR THE SENATE APPROPRIATIONS COMMITTEE

Mr. STAATS. Mr. Chairman, I asked that we put together a listing for you of the work that we have performed during the last 15 months or currently in process for the Senate Appropriations Committee.

This will cover the period of 15 months. That will give you not only the status, but also a listing of the work that we are doing for the full committee and for each of the subcommittees of the full committee.

Senator HOLLINGS. Will that listing answer this question from Senator McClellan?

Please provide the Committee with a further breakdown of the 180 reports and staff services which your prepared report indicates were sent to individual members of the Senate Appropriations Committee.

Mr. STAATS. Yes; this will give it to you for each of the subcommittees, and we have also a listing of the requests that we have had from individual members who make up the Appropriations Committee.

The reason you will not find them in this compilation is that many of those relate to constituency type problems. We did not think it was appropriate to call those support to the Senate Appropriations Committee. So we have limited this just to requests that we have had from the full committee or one of the subcommittees.

WORK FOR INDIVIDUAL MEMBERS

We have available and have them here, as a matter of fact, that we can give you, the work that we have done for each individual member of the Appropriations Committee, although some of those do not relate to the Appropriations Committee itself.

Senator HOLLINGS. Is there any way to not restrict it, but certainly have some kind of a little more restriction in the policy itself? One Senator may have one page of requests and another Senator will have 12 pages.

Do you have a feeling, then, that the GAO has become the fiefdom of one particular Senator?

Mr. STAATS. No.

CONTROL ON MEMBER'S REQUESTS

Senator HOLLINGS. I can set up and think up good fine questions and have you working and putting out expert reports to me. I couldn't read them all. I don't know that I would understand them. What could you do to try to have some kind of control on that?

Mr. STAATS. We have to negotiate these out pretty much case by case. If we felt that you were asking us to get into a political type question, as an individual Senator, we would probably tell you no, we won't do it.

Senator HOLLINGS. You have done that?

Mr. STAATS. Yes; indeed, we have. We haven't fortunately had very many cases where we have had to.

Senator HOLLINGS. You got by all right.

Mr. STAATS. Yes, sir. I guess that is one reason that I am in for a 15-year term.

DUPLICATION OF REQUESTS

Secondly, we find that in a great many cases we will get requests from a number of members on the same subject. We have had very good luck in simply saying:

> Look, we are going to do a report on this as a GAO report. When we are through we will give you a copy of it.

So that satisfied the need. In other cases, if we think the work load is too heavy in relationship to what the benefits of the study would be, we simply sit down with the member and his staff and try to pare it down to something that we can do within our resources. We have to live with this on a day-to-day basis and request-by- request basis.

Senator HOLLINGS. All right, sir. Go right ahead.

SAVINGS AND ACCOMPLISHMENTS DURING 1974

Mr. STAATS. On page 18, we have a statement here of accomplishments during the past year, 1974. As you know, we try to keep a record of the savings that we accomplish as a result of our work where the agency agrees or where the Congress takes specific action where we can measure those savings. In no sense do we consider this to be a major accomplishment of GAO, but it is important that we know.

In 1974, we had $562 million in directly attributable savings, as a result of our work. $166 million of this, which is $26 million-plus more than our budget request, will be recurring annually.

COLLECTIONS AND MEASURABLE SAVINGS

We have a listing here of all of the savings and all of the other accomplishments which I would like to suggest we put in the record.

Senator HOLLINGS. They will be included in the record at this point.

[The documents follow:]

FINANCIAL SAVINGS ATTRIBUTABLE TO THE WORK OF THE GENERAL ACCOUNTING OFFICE, FISCAL YEAR 1974

Collections and Other Measurable Savings

(000 omitted)

	Collections	Other measurable savings	Total
DEPARTMENTS			
Army	$ 79	$216,006	$216,085
Navy	295	20,374	20,669
Air Force	1,156	6,938	8,094
Defense	834	248,206	249,040
Commerce	6	...	6
Health, Education, and Welfare	85	47	132
Housing and Urban Development	73	494	567
Interior	...	717	717
Justice	...	594	594
Labor	50	...	50
State (including AID and USIA)	6	8,479	8,485
Treasury	35	42,000	42,035
AGENCIES			
Architect of the Capitol	...	115	115
Atomic Energy Commission	...	163	163
Environmental Protection Agency	...	43	43
Federal Communications Commission	...	981	981
National Aeronautics and Space Administration	...	37	37
Veterans Administration	...	35	35
District of Columbia government	...	257	257
Total for departments and agencies	2,619	545,486	548,105
Transportation audit	9,485	...	9,485
General claims work	4,853	...	4,853
Total	$16,957	$545,486	$562,443

Details Of Other Measurable Savings

Details of other measurable financial savings including additional revenues attributable to the work of the General Accounting Office during fiscal year 1974 totaling $545,486,000 are listed below. Approximately $166 million of the savings or additional revenues are recurring and will continue in future years. The items listed consist largely of realized or potential savings in Government operations attributable to action taken or planned on findings developed in GAO's examination of agency and contractor operations. In most instances, the potential benefits are based on estimates and for some items the actual amounts to be realized are contingent upon future actions or events.

Action taken or planned	*Estimated savings*
Supply Management:	
Savings in procurement, transportation, and handling costs by canceling outstanding orders of the military services for materiel no longer needed by the customer or requisitioning activities and the inventory control points—Defense (nonrecurring, $45,000,000) (estimated annual savings $100,000,000)	$145,000,000
Reduction of general- and special-purpose vehicle requirements for the Korean Security Assistance Program—Defense (nonrecurring)	59,000,000
Reduction in procurement costs of food purchased to supplement rations issued to the Armed Forces of the Republic of Vietnam by substitution of cheaper items, use of unissued stocks as offsets against current procurement, and revision of basis for calculating requirements—Army (nonrecurring)	13,000,000
Change in Navy policy to require the return of repair parts and equipment items held on inactive ships and inactive ship maintenance facilities to the Navy supply system for use in satisfying current needs of active ships. As a result, the Navy will be able to avoid procurement of identical items—Navy (nonrecurring)	10,000,000
Nonutilized equipment furnished to Vietnamese agencies was redistributed for productive use in Vietnam and the Philippines—Agency for International Development (nonrecurring)	4,800,000
Redistribution of Vietnam military excess spare parts for vehicles to meet the requirements of Korea and other countries—Defense (nonrecurring)	3,500,000
Savings resulting from canceling requisitions for items due-in as permissive overstockage or excess to operational needs—Army (nonrecurring)	965,000
Savings resulting from finding assets that were not on U.S. Army Materiel Management Agency Europe's accountable records—Army (nonrecurring)	$ 670,000
Contract price reductions resulting from reviews of prices negotiated for supplies: Army $65,000 (nonrecurring); Air Force $374,000 (nonrecurring); and Defense $92,000 (estimated annual savings)	531,000
Cancellation of requisitions for nonexpendable equipment items—Army (nonrecurring)	139,000
Increased use of recapped tires to meet total annual tire requirements of the Army in Korea—Army (estimated annual savings)	109,000
Recovery of recappable and serviceable tires from property disposal activities—Army (nonrecurring)	46,000
Savings resulting from the cancellation of procurement of four vehicles and substitution of excess property equipment in the Philippines—Agency for International Development (nonrecurring)	16,000
Increase of income to the Government that had previously been lost due to ineffective contract management by Office of Naval Petroleum and Oil Shale Reserves—Navy (estimated annual savings)	12,000
Facilities Construction:	
Modification of contract to cancel construction of advanced Field Array Radar facility at the Kwajalein Missile Range—Army (nonrecurring)	98,200,000
Reduction in Department of Defense appropriations for modernization of the Army's ammunition production facility—Army (nonrecurring)	89,400,000
Reduction in the Navy's requested fiscal year 1974 military construction appropriations for support facilities for the Trident weapon system—Navy (nonrecurring)	6,000,000

Action taken or planned	Estimated savings
Cancellation of planned construction of training facilities when training capabilities of other military services were utilized–Air Force (nonrecurring)	$ 185,000
As a result of our review of proposed contract, the Architect of the Capitol negotiated a lower price for surveillance system–Architect of the Capitol (nonrecurring)	115,000
Use of alternative materials to reduce costs of constructing walls in medical facilities–Army (nonrecurring plus indeterminable future savings)	84,000
Contractor value engineering ideas used on similar projects–Army and Navy (nonrecurring–$6,000) (estimated annual savings–$34,000)	40,000
Savings will be obtained as a result of redesign of facilities. Future additional amounts can be obtained by the use of these and other value engineering suggestions–Army (nonrecurring plus indeterminable future savings)	18,000
Logistics:	
Savings or increased production resulting from transferring wheel vehicle component maintenance programs from depot to general support level maintenance activities in Europe–Army (nonrecurring)	545,000
Cancellation of proposed acquisition of numerically controlled machinery–Air Force (nonrecurring)	500,000
Contract price reduction resulting from review of price negotiated for wide-area antipersonnel mine systems–Air Force (nonrecurring)	454,000
Revision of work specification for repair of B-52 wing flap–Air Force (estimated annual savings)	391,000
Redistribution of excess equipment–Air Force (nonrecurring)	257,000
Reduction in miscellaneous operating and maintenance costs, such as communication, utilities, per diem, and travel costs of civilian personnel, by consolidating training bases for Reserve and National Guard C-130 squadrons–Air Force (estimated annual savings)	221,000
Savings resulting from improving procedures for making decisions on whether to repair old equipment or buy new equipment–Air Force (estimated annual savings)	217,000
Manpower Utilization:	
Reduction of personnel staffing levels, both military and civilian, by consolidating four Reserve C-130 squadrons into two squadrons and two National Guard C-130 squadrons into one squadron–Air Force (estimated annual savings)	1,765,000
Payments to Government Employees and Other Individuals:	
Certain costs were eliminated that otherwise would have been incurred had contractor-furnished employees been used rather than Federal employees for work related to licensing nuclear facilities–Atomic Energy Commission (nonrecurring)	163,000
Correction of records to prevent improper payments for unused leave upon separation from the service ($94,000 potential overpayments) ($12,000 potential underpayments)–Air Force (nonrecurring)	82,000
Prevention of overpayments by correction of error which resulted in overstatement of reasonable charges allowable for physicians' services under Medicare–Health, Education, and Welfare (nonrecurring)	35,000
Communications:	
Reduction in military personnel and operations and maintenance costs of the Army's Combat Service Support System in fiscal year 1974–Army (estimated first-year savings of $3.9 million plus savings over a 5-year period)	3,900,000
Special handling of maintenance credits for computer equipment will save the Government about $1.5 million when the equipment is purchased–Air Force (nonrecurring)	1,500,000
One-time savings from deletion of item from fiscal year 1974-75 budget–U.S. Coast Guard (nonrecurring)	1,300,000
Closing three fixed monitoring stations and reallocating resources to mobile monitoring resulted in improved use of the radio spectrum–Federal Communications Commission (nonrecurring, $827,000; estimated annual savings, $154,000)	981,000
Centralized management of multiplexing and annual cost reductions resulting from use of multiplex systems in lieu of individual communications circuits–Defense (estimated annual savings plus indeterminable future savings)	892,000
Consolidation of Naval Communication Centers in the San Diego area–Navy (estimated annual savings)	460,000
The number of telephone lines and associated equipment were reduced; lower cost equipment was substituted for higher cost equipment and controls over long distance calls were strengthened–District of Columbia government (estimated annual savings)	257,000
The discontinuance of the use of appropriated funds in furnishing cable TV service to Government-controlled housing–Army (estimated annual savings)	46,000
Increased billings to recover costs incurred in support of special-interest launches–National Aeronautics and Space Administration (nonrecurring plus indeterminable future savings)	37,000
Replacement of contractor-leased copiers by Government-leased copiers, saving fee paid to contractors–Air Force (estimated annual savings)	14,000
Interest Costs:	
Cancellation of the Uniformed Services Savings Deposit Program–which paid 10 percent	

Action taken or planned	Estimated savings
interest on money deposited by or for military personnel overseas—was directed by the Congress because the goals of the program were not being achieved, the program was improperly administered, and abuses were occurring—Defense (nonrecurring $1,500,000; estimated annual savings $25,800,000)	27,300,000
Loans, Contributions, and Grants:	
Project costs were shared with State agencies and private organizations for services provided by family life centers operated under the Model Cities Program in Boston, Massachusetts—Housing and Urban Development (estimated first-period savings plus indeterminable future savings)	494,000
Costs of house service connections were eliminated in arriving at the amount eligible for a Federal grant for construction of waste treatment facilities—Environmental Protection Agency (nonrecurring)	43,000
Upward Bound Project grantee agreed to return to the Office of Education unencumbered cash balances in excess of that needed to liquidate project obligations—Health, Education, and Welfare (nonrecurring)	12,000
Contracting Policies and Practices:	
Reduction in Government's share of Pratt and Whitney's independent research and development costs for aircraft engine—Navy (nonrecurring)	3,900,000
Reduction in reimbursements for bid and proposal expenses at a Federal contract research center—Air Force (estimated annual savings)	225,000
Recovery of assets generated from the profits of questionable contractual arrangements in Laos—State (nonrecurring)	157,000
Transportation:	
Reduced transportation costs by using actual rather than estimated cubic measurements of privately owned vehicles when Military Sealift Command pays carriers for the ocean freight—Defense (estimated annual savings)	5,100,000
DOD's change of its method of procuring services for unaccompanied baggage from the "me too" method to a competitive method from five countries in the Pacific to the continental United States has significantly reduced rates—Defense (estimated annual savings)	1,900,000
DOD has announced realignments which will eliminate the duplication of functions identified by GAO in its review of the flow of cargo into and through the Military Airlift Command systems—Defense (estimated annual savings)	1,750,000
GAO interim memorandum and survey report findings and recommendations have improved controls over the shipment of U.S. Government property and raised the level of property security consciousness in Korea—Army (estimated annual savings)	876,000
Unaccompanied baggage of Air Force personnel was diverted from commercial transportation to Military Airlift Command flights that were not being used to capacity—Air Force (estimated annual savings)	753,000
Management improvements which should prevent erroneous payments for nonappropriated fund activities from appropriated funds—Defense (estimated annual savings)	78,000
Management improvement through consolidation of personal property packing and crating contracts—Defense (nonrecurring)	32,000
Revenues:	
Assessed highway use taxes from delinquent returns were increased due to a nationwide Internal Revenue Service collection program—Treasury (nonrecurring, $22,800,000; estimated annual savings, $17,900,000)	40,700,000
Based on increases in military pay and the cost of services, the daily charge to military dependents for inpatient health care was increased from $1.75 to $3.50 per day—Defense (estimated annual savings)	4,640,000
The amount required to be repaid to the Treasury from the Federal Columbia River Power System was adjusted to include additional interest on the investment in power facilities—Interior (nonrecurring)	567,000
Increased tuition charges to non-U.S. Government sponsored students at overseas dependent schools of the Department of Defense to insure full reimbursement of appropriated funds expended in providing educational and other related services—Defense (estimated annual savings)	295,000
Contracts pertaining to the transmission of electric energy by Bonneville Power Administration for other parties over the Federal transmission system were amended to eliminate inappropriate adjustments for customer-provided facilities—Interior (estimated annual savings)	150,000
Reasonable charges made to the Veterans Canteen Service for the use of space and utilities at the new VA hospital in Tampa, Florida—Veterans Administration (nonrecurring)	11,000
Other Items:	
Reduction in Army's fiscal year 1974 missile appropriation to eliminate overstated procurement needs for DRAGON weapon system—Army (nonrecurring)	7,900,000
Savings resulting from negotiations on tax agreements between the U.S. Government and the Government of Vietnam—State (estimated annual savings)	2,600,000
Funds in excess of needs in Thailand were deobligated and returned for reprograming—Agency for International Development (nonrecurring)	906,000
Elimination of duplicate training courses by the separate military services through promotion of interservice training programs—Defense (nonrecurring $117,000; estimated annual savings $480,000)	597,000

Action taken or planned	Estimated savings
Significant reductions were achieved in alien reporting program costs–aliens are required to report their addresses annually to the Immigration and Naturalization Service–through discontinuing the practice of INS paying the postage–Justice (estimated annual savings)	594,000
Reductions in data processing time and in use of printed forms resulting from change to payroll computer program–Defense Supply Agency (estimated annual savings)	30,000
Laboratory equipment in a VA hospital was rehabilitated and modified instead of being replaced with new equipment. The modification also provided more service at less cost–Veterans Administration (nonrecurring, $20,000; estimated annual savings, $4,000)	24,000
Reduction of overstated leave balances resulting from use of computer program to identify questionable items–Army (nonrecurring)	5,000
Total other measurable savings	$515,486,000

Additional Financial Savings Not Fully Or Readily Measurable

Many significant one-time or recurring financial savings result from joint efforts of GAO and the Congress, departments, or agencies. Actions are taken to eliminate unnecessary expenditures or to otherwise correct deficiencies identified in GAO's audit reports, but the amount of savings directly attributable to the work of GAO cannot be fully or readily measured.

Army Combat Service Support System

The Army has been trying for several years to develop an automated system for personnel, supply, and maintenance functions for combat units. Our continuing review of this system, called the Combat Service Support System, disclosed it is still not workable. The system was unable to handle the required workload, was not responsive to user's needs, was not tested under a reasonable range of expected conditions, and did not meet the prescribed objectives for improved combat support. These problems were primarily attributable to the design of the system software, especially in the supply subsystem, and the configuration of computer equipment.

We recommended that the Army, in view of the problems encountered, reevaluate the needs for a combat support system and redefine its requirements, particularly for the logistics functions. The system should then be designed to meet those requirements and tested to insure that it does.

In response to our recommendation, the Army formed a logistics evaluation group to review their needs and revised their plans accordingly. The procurement costs included in the current plan are estimated to be $81.9 million lower than the costs in the original plan.

Numerically Controlled Equipment

Numerically controlled equipment is expensive and complex but offers tremendous productivity increases and savings in industrial operations. In 1973 the Department of Defense owned $300 million worth of numerically controlled equipment. The Department agreed with our recommendation that improved planning and management of this equipment is needed to achieve maximum benefits. The Department plans to establish a tri-service coordinating group to review existing guidelines, develop needed improvements in managing its use in defense production, and devote attention to equipment and software standardization.

Improved Handtool Procedures

Purchases by the Department of Defense in calendar year 1972 for handtool requirements approximated $25 million. Based on our recommendations, the military services began a program to replace individual tool kits with larger centrally located composite tool kits. This will eventually reduce the number of tools and tool kits needed by the services, will decrease tool losses, and will help decrease equipment damage. An Air Force Logistics Command study has found that using composite tool kits could reduce handtool and toolbox requirements by as much as 60 and 80 percent, respectively.

Military Packaging

In our review of military packaging we concluded that significant savings were attainable if the Department of Defense's activities discontinued blanket assignment of highest protection and packaging against the most severe condition known and anticipated. During fiscal year 1971, the Department purchased an estimated $13.4 billion worth of material subject to packaging. Though no overall averages were available, industry comments suggested that packaging costs

could average as much as 10 percent of procurements. We suggested that greater use be made of commercial packaging when it meets Government requirements. The Department revised its packaging guidelines accordingly, and a recent survey of contractors indicated that most Department buyers were complying.

Coffee Procurements

The average coffee consumer is not sensitive to adjustments in blends of coffee. Since prices of different types of coffee beans vary, commercial coffee roasters found that they could modify their blends to take advantage of market fluctuations. We suggested to the Department of Defense that it accept this practice and develop alternative blends for the military services. A single blend has been used since about 1950. We estimated possible savings of $1.7 million annually. The Department accepted our proposal.

Revision in Navy's Should-Cost Policy

In May 1973 we pointed out that the Navy had made only limited use of the should-cost (industrial management review of contractor operations) approach although the Army and Air Force had made a number of should-cost studies and claimed substantial benefits in reducing contract prices in negotiation and identifying improvements needed in contractors' operations. As a result, the Chief of Naval Material issued a procurement policy statement to clarify Navy policy on use of should-cost studies in weapon system acquisition.

In our opinion the Navy's policy statement indicated a negative attitude should-cost studies, would not encourage greater use by Navy contracting officials, and was not responsive to our recommendation. We then recommended that the Secretary of Defense issue policy guidance to insure consistent application of the should-cost approach by all the military services.

In March 1974 the Naval Material Command issued an instruction establishing a positive program for application of the should-cost approach. Implementation of this program should enable the Navy to negotiate greater contract price reductions and result in improvements in contractors' operations.

Disposal of Surplus Clothing

Department of Defense policy required all distinctive type military uniforms and clothing to be mutilated or dyed prior to sale. This resulted in destroying millions of pounds of valuable clothing. For example, one depot mutilated clothing valued at more than $2 million and received less than $50,000 from its sale. The Department agreed with our recommendation that these items be sold without mutilation or dyeing after distinctive insignias, etc., have been removed. Material that was formerly sold as scrap is now being sold as usable clothing.

Redistribution of Excess Production Equipment

During 1972 we made four equipment use studies at the San Antonio Air Materiel Area (now the Air Logistics Center), and found that the equipment was idle 64 percent of prime shift time. The low use indicated that (1) more equipment was on hand than needed to meet programed workloads, and (2) equipment reductions were possible, especially involving machines capable of performing duplicate functions.

In response to our recommendations to develop a program to accumulate actual equipment usage and to examine existing and proposed investments in equipment, by March 1973 the depot had begun to install time meters to record usage and had identified 65 excess machines valued at about $985,000. By June 1973, 18 machines, valued at $257,000, had been claimed by other users and the other 47, valued at $728,000, were being reported and screened for possible use elsewhere.

Reevaluation of the Army's SAM-D Program

In our February 1973 staff study of the Army's SAM-D surface-to-air missile program, we reported the postponement of certain significant tests. In a May 1973 report to the Congress, we suggested that the decision to defer testing of critical components until a considerable expenditure of funds had been made may be unjustified in light of past experience, and that a new cost-effectiveness study may be needed due to changes made to performance characteristics and quantities.

The Senate Appropriations Committee directed the Secretary of Defense to conduct a cost-effectiveness study of the SAM-D program. In January 1974 the Deputy Secretary of Defense ordered a reorientation of the SAM-D development effort continuation of only an austere development program, and a demonstration of proof of the guidance concept by June 1975.

Reduction in Risk Associated with Navy's Surface Effect Ship Program

The Navy requested bids from their surface effect ship contractors for detailed design and long-lead procurement of subsystems for a 2,200-ton ship even though test data from the smaller surface effect ship (100 ton) was inadequate in four major areas crucial to the design and construction of a larger ship.

We recommended to the Secretary of Defense that the Navy not be allowed to proceed into detailed design of the 2,200-ton surface effect ship until he reviewed the adequacy of solutions to problems disclosed by testing of the 100-ton ship.

The Deputy Secretary of Defense subsequently directed the Navy to undertake a "risk reduction" program prior to proceeding into the detailed design and long-lead procurement phase of the program. The Navy issued new requests for proposal for this revised statement of work. This action should reduce the risk of substantial cost overruns being incurred on the 2,200-ton surface effect ship.

Civil Service Commission to Administer Radio Operator Examination for Federal Communications Commission

The Federal Communications Commission spends a considerable amount of time in administering examinations to applicants for radio operator licenses. In cities where FCC does not have a field office, the examinations are administered by its enforcement personnel. This is not only time consuming but, because of limited travel funds, results in the timing and location of enforcement actions to coincide with the examination schedule. Consequently, much of FCC's enforcement manpower is ineffectively used.

In our November 3, 1972, report to the Congress, we recommended that FCC arrange to have the Civil Service Commission assume responsibility for administering these examinations. In May 1974, we were informed that CSC would begin a 6-month test program in 99 examining centers which, if successful, would be retained on a permanent basis. This would not only improve the use of FCC's manpower but would benefit the public as well because the CSC has examination facilities in more than 1,000 locations while the FCC has only 90 locations.

Recovery of Assets for Which Accountability Had Been Lost

In May 1973, we observed that the American Embassy, Vientiane, Laos had lost accountability for items it had acquired from property disposal activities in Thailand and Vietnam. Property accounting records had never been established for these items and the Embassy could not identify the value and amount of properties received, on hand, those disposed of, or used.

We recommended that a complete inventory be conducted, accountability be established, new procedures for acquisition of excess property be issued and unneeded excess property be returned to the property disposal yard.

Air Force supply specialists conducted a complete inventory and reconstructed the records. Unneeded items were sent to the property disposal unit for sale. As stocks were reduced to a manageable level, inventory records and supply management procedures were established. New procedures were used for the acquisition of excess property. Property valued at about $200,000 was picked up on the accountable records and excess property with an acquisition cost of about $471,400 was sent to the property disposal unit for sale. These actions were completed by October 1973.

Funds in Excess of Needs Were Deobligated or Deauthorized

As of March 31, 1973, GAO identified 137 loans valued at $422 million which offered potential for deobligation or deauthorization.

These included loans (1) authorized but unsigned for 6 months or more, (2) with no disbursements for 6 months or more after borrower met initial conditions, (3) partially disbursed but with no disbursements for 6 months or more, (4) with expired terminal disbursing authorization dates, and (5) with expired terminal disbursement dates.

Our review indicated that opportunities existed for the Agency for International Development to release funds in the pipeline and make these funds available for priority uses. Funds made available for a particular purpose had been used and only residual amounts remained or the purposes and priorities for which the funds were initially obligated no longer existed.

AID has taken action to deobligate or deauthorize funds amounting to at least $65.7 million. The release of these funds will ultimately provide for a better application of funds even though actual dollar savings are not returned to the U. S. Treasury.

Delayed Purchase of Foreign Currencies

In most countries the United States does not own excess currencies and has to spend dollars to purchase foreign currencies to meet required needs. Our audit revealed that substantial amounts of foreign currencies were purchased in advance of operating need, and often held for years. Significant savings could have been realized by using currencies not needed for current operations.

In our report to the Congress (B-146749, Oct. 24, 1962), we recommended that measures be instituted to permit use of nonexcess foreign currencies reserved for specific purposes and a dollar equivalent established for replacement of these foreign currencies when needed.

The Congress enacted Public Law 89-677, dated October 15, 1966, authorizing the Treasury to establish a system similar to our proposed recommendation. From the inception of this system through June 1973, the Treasury has realized a net gain of about $22.7 million as a result of currency devaluations between the borrowing date and the date the funds were replaced. In addition, significant interest savings have resulted and will continue to be realized from the delayed purchase of these currencies.

Change in Method of Computing Procurement Requirements

In 1973 as a part of our examination of the financial statements of Federal Prison Industries, Inc., we noted that the Federal Reformatory for Women at Alderson, West Virginia, had on order 193,000 yards of a special purpose fabric used in making garments. This represented an investment of $374,000 for material not usually stocked which also was excess to current needs when considering accumulated stock on hand or on order under previous transactions involving the same fabric. There existed a possibility that the excess material might become obsolete because the only customer was considering garments made from different fabrics.

In line with our suggestions, reformatory officials agreed to strengthen procurement procedures to consider on-hand or on-order quantities in future requirement ordering. Although the reformatory was unable to obtain a voluntary cancellation of the excess material order, it was able to generate new garment orders to use the special purpose fabric.

Increased Availability of Navy Manpower

Since at least 1893, the Navy has granted officers and certain enlisted personnel 4 days of proceed time in addition to authorized leave and travel time to arrange their personal affairs while enroute to a new duty station. About 40,000 Navy personnel, however, are transferred each year between ships or duty stations in the same locality. Many of these individuals have been routinely granted the 4 days of proceed time and in some cases an additional day of travel time.

Our tests at several ships and shore stations showed personnel offices were misinterpreting Navy instructions or using different criteria to establish proceed and travel time entitlement. Also, conflicting instructions had been issued and different entitlements were being extended to officers and enlisted personnel transferring under the same conditions.

We recommended to the Navy in March 1973 that local proceed and travel time policies be reevaluated and clarified. The Bureau of Naval Personnel issued revised instructions in May 1974 to eliminate inequities between officer and

enlisted personnel and to prohibit proceed and travel time on local transfers in the same metropolitan area unless the distance between stations exceeded 25 miles. Proper implementation of the revised instructions should result in annual savings of up to 400 man-years.

Reduction in Proposed Staffing Requirements At District Correctional Facilities

In response to a request from the Chairman, Senate Subcommittee on Appropriations for the District of Columbia, we evaluated the personnel needs for the District's correctional facilities. In its fiscal year 1974 budget submission to the Congress, the District requested 470 additional positions for its correctional system.

We informally advised the Chairman that many of the positions requested by the Department of Corrections appeared to be in excess of their needs. As a result of the Senate Committee's action on the data we provided, Congress appropriated funds for 234 of the requested 470 positions.

Improved Management of Acquired Residential Properties

By using open-end, bulk-bid contracts (which provide repairs and services on an as-needed basis during specific periods at specific prices), the Department of Housing and Urban Development and the Veterans Administration reduced annual repair and service costs for properties acquired through defaults on insured mortgages in Jacksonville, Florida, by about $156,000. However, this form of contracting had not been widely used in other areas of the country. In determining whether acquired properties should be repaired for sale, the HUD Detroit office and the VA Philadelphia office had used data that was either incomplete or not based on recent experience and could not insure that their decisions would minimize losses or maximize gains in disposing of acquired properties.

As we recommended, HUD issued revised regulations to (1) require the use of bulk purchases of large quantities of supplies and services procured under one contract from one source, and (2) emphasize the need for current valid data on repair costs, demolition costs, repaired sales prices, and vacant lot sales prices.

Improved System of Cost and Schedule Control

The Board of Directors of the Washington Metropolitan Area Transit Authority adopted our recommendations concerning its system of cost and schedule control. As a result, future quarterly status reports will contain comparisons between the original and complete current estimates of the cost of constructing the Washington Regional Rapid Transit System--(METRO)--and the estimated completion date. The inclusion of these estimates in the reports will alert the Board, the Federal Government, and participating local governments of the need for providing additional funds or for considering whether alternatives were available.

Continuation of Corps of Engineers In Postal Construction Program

In January 1973, the Office of Management and Budget directed the Postal Service to terminate all Corps of Engineers construction support including that given the bulk mail facility construction program.

The Service has projected that a fully implemented bulk mail program would result in $300 million in annual operational savings. Under the Corps' construction schedule, 19 of the 21 planned bulk mail facilities would be 60- to 95-percent complete as of June 30, 1974. In a May 30, 1973, letter to the Postmaster General, we stated that removal of the Corps of Engineers from the program would

- —delay completion by 3 to 6 months,
- —incur added costs resulting from a joint Corps/Postal Service management effort,
- —result in disruption to numerous equipment deliveries to the bulk mail facilities, and
- —necessitate a reduction in force for about 350 Corps personnel.

After in-house investigations, the Service concluded that removal of the Corps would delay completion of the program at least 4-1/2 months--resulting in about $100 million in lost operational savings--and increase construction costs by about $20 million.

Citing our letter and the in-house investigations the Postmaster General on June 20, 1973, requested OMB to allow the Corps to complete

construction of the bulk mail facilities. Shortly afterwards, OMB authorized extension of the Corps' participation in the bulk mail program until its completion.

Consolidation of Certain Reserve Fleet Activities

In our report to the Congress on savings available by consolidating certain reserve fleet activities (B-168700 issued Nov. 18, 1971), we recommended that the Secretary of Defense and the Secretary of Commerce make arrangements to have the Maritime Commission assume the maintenance and preservation and related administrative functions for Navy's inactive vessels at Orange, Texas.

By letter dated October 15, 1973, the Assistant Secretary of Defense, Installations and Logistics, subsequently advised us that the decision was made to change designation and mission of the facility at Orange to the Inactive Ship Storage Facility. A Navy examination of the facility showed that potential savings of about $1.2 million annually could be realized by consolidating operations and streamlining the organization. Navy officials told us further that reductions in personnel requirements and overhead costs resulted in reduced costs of $741,000 in fiscal year 1974.

The estimated savings of $741,000 in fiscal year 1974 and $1.2 million annually thereafter are based on Navy Department computations but the amounts attributable to our efforts are not readily measurable.

Change in National Science Foundation's Travel Policy to Conform to Federal Travel Regulations

In determining travel costs for certain Federal employees from the Washington, D.C. area who attended the Oceans and National Economic Development Conference in Seattle, Washington, we noted that an official was permitted, in accordance with policy, to travel first class without justifying the use of first-class accommodations. This policy did not conform to the Federal travel regulations. We found that the practice began in July 1970, when a former director had authorized the agency's directorate level personnel to travel first class as a matter of routine.

We brought this matter to the attention of the agency and subsequently the practice was discontinued.

Procedures Corrected to Insure Issuance of Bills for Medical Services Rendered at District of Columbia Hospitals

We identified charges in excess of $5.9 million for medical services rendered at D. C. General and Glenn Dale Hospitals because the computer was programed not to print bills (1) without zip codes ($1.3 million) or (2) where there was no address in the payor block (persons responsible for patients bills) of the admittance form ($4.6 million). These charges covered the period from July 1966 through August 1973 and involved about 8,000 patients' accounts. Part of these charges may eventually be paid through the Medicaid Program.

The Medical Collections Branch is responsible for billing patients for services rendered at District health facilities. We suggested that it mail the bills for services rendered at D.C. General and Glenn Dale Hospitals which had not been mailed because of computer misprogramings.

We were advised that all of the bills were mailed by May 1974. A Task Force was also established to maximize reimbursement and develop a comprehensive system of control and accountability over patient accounts. The Task Force in a report dated April 1, 1974, had recommended a vast reorganization of billing and collections activities to effect more efficient and complete billing and collection of accounts receivable.

AMTRAK to Base Compensation for Passenger Train Operations on Quality of Service Provided

In a report to the Subcommittee on Transportation and Aeronautics, House Committee on Interstate and Foreign Commerce issued December 28, 1973, we said that contracts with railroads for passenger train operations needed to be amended to include reasonable, definitive, and enforceable on-time performance standards

and to clearly fix the responsibilities of contracting parties. In line with our findings, AMTRAK negotiated a new arrangement with the largest operating railroad (Penn Central) which included provisions for incentives and penalties in determining the amount of compensation payable. AMTRAK said that our report reinforced its position and gave added impetus to its negotiations with the railroads.

Policy to Avoid Payment of Severance Allowances to Employees Eligible for Immediate Retirement Annuities

In August 1973 we reported to the Secretary of Defense that U.S. bases in the Philippines were inviting Filipino employees who were eligible to receive immediate civil service retirement annuities to volunteer to be involuntarily separated. Under the terms of the labor agreement between the Governments of the United States and the Philippine Islands, all employees who were involuntarily separated (except for cause) received a severance allowance. Accordingly, those who were also eligible to receive an immediate civil service annuity received both.

In 1971, 317 employees who were eligible for immediate annuities were separated. Of these, 312 (98 percent) were paid severance allowances totaling $386,000. If this practice continued, we estimated, DOD would eventually be required to pay an additional $1 million in severance allowances to employees who would also receive immediate annuities.

We recommended that action be taken to discontinue the payment of severance allowances to employees entitled to immediate annuities because, in our opinion, the purpose of the allowances is to sustain employees while they seek other employment.

The military commander in the Philippines instructed U.S. bases, whenever possible, not to let employees who are eligible for immediate annuities to become involuntarily separated.

This action should reduce the number and amount of severance payments made to employees who are eligible for annuities at the time of separation.

Funds Allocated to Spewrell Bluff Dam Transferred to Other Projects

The Corps of Engineers, Department of the Army, did not have sufficient supporting data to show that the environmental impact from the planned construction of the Spewrell Bluff Dam in Georgia would or could be minimized or mitigated. Further, project benefits were not adequately supported to show that the claimed economic benefits could be realized.

Environmental losses which could result from the project included (1) a unique river fishery, (2) bottom land hardwood supporting valuable wildlife habitat, (3) one of the few remaining free-flowing rivers in Georgia, and (4) several fish and wildlife species. Plans to mitigate these losses had not been made.

A complete evaluation of economic issues could not be made because the Corps was revising its estimates. The need for reservoir recreation, one of the largest claimed project benefits, was questioned by State and Federal agencies.

On October 1, 1973, acting primarily on our findings set forth in a draft report, submitted for comments, the Governor of Georgia expressed opposition to the project. Because of the Governor's opposition, the Corps transferred $2,140,000 to other Corps projects. In the event the project is abandoned, the total cost avoidance would be about $178 million. After accounting for reimbursable power costs of $69 million, the net savings to Federal and State agencies would be about $109 million.

Our review and action in disclosing objectionable features of the project substantially contributed to the Corps' action. However, the exact amount of savings to Federal and State agencies which might be attributable to our report cannot readily be determined.

NONDOLLAR ACCOMPLISHMENTS

Some actions taken in response to GAO's recommendations result in benefits other than dollar savings. The enactment of recommended legislation by the Congress, or the adoption of new agency regulations or procedures, often results in improved day-to-day operations at Federal, State, and local levels. Sometimes the actions have a direct favorable affect on the well-being of individual citizens.

Unclaimed Savings Bonds Returned To Veterans and Other Individuals

Over 700,000 U.S. savings bonds, with an estimated face value of about $50 million, remained unclaimed by their owners, including World War II, Korean, and Vietnam veterans. We concluded that the policy for safekeeping savings bonds deserved reconsideration because it did not provide for trying to locate the owners. In line with our August 1973 report recommendations, the Treasury initiated a program to locate owners of savings bonds.

By August 1974, the Treasury and the Federal Reserve banks had returned about 199,000 bonds with a face value of over $23 million to civilian bond owners and 36,500 bonds with an estimated face value of over $900,000 to veterans. As a result of a joint Treasury/Veterans Administration project, thousands of veterans and other individuals will ultimately receive millions of dollars worth of savings bonds which probably would never have been claimed.

Avoiding Damage to Forests And the Environment

Procedures and practices which the Forest Service, Department of Agriculture, followed in planning timber sale projects did not insure that the expertise of resource specialists was obtained and used to help minimize damage to forest resources. In many instances where timber harvesting projects caused serious damage to forests and the environment, Forest Service had not obtained or followed the advice of resource specialists.

As we recommended in our March 1973 report to the Congress, the Forest Service revised its manual to require expertise of resource specialists to be used in timber sale planning and preparation.

Using Roads and Trail Funds In a More Effective Manner

Forest Service procedures of allocating funds for roads and trails construction did not provide for adequate comparisons of the needs of the various national forests to insure that funding priorities were given to the most needed projects.

As we recommended, the Forest Service commenced requiring its regional foresters to identify, justify, and set priorities of their roads and trails construction needs for Washington headquarters approval. This information should be of assistance in scheduling projects for areas having the greatest need.

Increased Use of Felled Wood To Help Meet Timber Demand

Forest Service studies showed that each year timber purchasers leave large volumes of trees and parts of trees felled in Forest Service timber sales areas and that much of the felled wood was physically suitable for lumber, plywood, and fiberwood products.

In response to recommendations in our report to the Congress, the Forest Service modified its timber sale procedures and contracts to require purchasers to remove economically usable felled wood.

Coordination of Natural Gas Reserve Data

Both the Securities and Exchange Commission and the Federal Power Commission receive natural gas reserve data from companies they regulate. Upon our recommendation, SEC revised its procedures to provide for furnishing supporting gas reserve data to facilitate reconciliation of differing reserve estimates when it submits prospectuses to FPC for review and comment. This action should help avoid the recurrence of situations where the two agencies in arriving at independent decisions as to the courses of action they should take had received conflicting gas reserve data and failed to reconcile the differences.

Improved Fund Allocation System

In response to recommendations in our report to the Congress, the Soil Conservation Service, Department of Agriculture, improved its system for allocating funds to the States under the Great Plains Conservation Program and discontinued developing contracts for low-priority conservation work.

This action should help assure that high priority is given to assisting landowners and operators who apply for assistance in solving major soil erosion problems.

Ways to Improve Effectiveness Of Rural Business Loan Programs

In line our recommendations the Farmers Home Administration, Department of Agriculture, incorporated in its regulations, which implement the business and industrial assistance programs authorized by the Rural Development Act of 1972, requirements for feasibility and market studies, and credit analyses of loan applicants. The regulations also permit the Administration to evaluate a project's feasibility and loan applicant's credit and to determine whether the loan, together with other available resources, appears adequate for the project.

This action will help Farmers Home Administration to identify loan applicants with such problems as weak management, inadequate operating capital, or economically infeasible operations.

Guidelines Issued to Improve Management Of Health Research Equipment

At National Institutes of Health grantee institutions visited during our audit, we noted many cases where health research equipment was unnecessarily purchased and other cases where equipment was significantly underused.

In response to our recommendations, the agency issued guidelines instructing grantee officials to make adjustments in procedures to insure that research equipment requirements are carefully evaluated, and that equipment once acquired, be maximally used.

Strengthened Security At Postal Data Center

Our survey at the St. Louis Postal Data Center identified weaknesses in the security at the Center, including the need to (1) strengthen controls to prevent unauthorized entry and (2) insure continuity of computer operations by providing for off-site storage of duplicate files.

The Assistant Postmaster General, Management Information Systems, advised us that the St. Louis Center, in response to our observations, had taken several actions to improve security, including implementing a security plan, storing back-up files offsite, and initiating a review of the entire data security area.

Better Internal Auditing

The internal auditors of the National Capital Housing Authority, Washington, D.C., were primarily engaged in the audit of cash. In view of the varied activities of the Authority, we recommended that the internal audit staff be increased and its coverage be expanded. By letter of October 31, 1973, the Executive Director of the Authority informed us that the staff had been increased and that a vigorous internal auditing plan was under way.

Improved Medicare Subcontracting Practices

As a result of our recommendations, Social Security Administration initiated revisions to its

instructions for carriers (organizations authorized by contract to make Medicare payments for physicians' services) and intermediaries (organizations authorized to make payments to hospitals). The revised instructions will provide that potential offerors under proposed subcontracts of the carriers and intermediaries are to be advised in writing of the criteria which will be used to evaluate their proposals, including the relative importance that will be given to each factor, particularly price or cost. This would allow the offerors to be more responsive to the requirements of the Government and its contractors.

Highway Safety

As a result of GAO's recommendation to the Congress, a law was passed setting aside funds for highway safety improvement projects, resulting in a potential for reducing highway deaths by 1,450 and injuries by 22,000 annually.

Policy on Religious Teaching in Schools

Some schools under contract with the Overseas Dependents Schools System of the Department of Defense include religious instruction as a part of the education program. There is a possibility this compulsory religious training of U.S. nationals may be in violation of the first amendment to the Constitution and raises a question concerning the validity of the use of appropriated funds as tuition payments to these religious affiliated schools.

We recommended to the Secretary of Defense that an opinion of the Attorney General be secured as to the appropriateness of the contracts with such schools. On May 17, 1974, the Department advised us that a survey of schools under contract disclosed a larger incidence of optional and mandatory religious education than had been anticipated. Consequently, the Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs) was directed to develop a departmental policy regarding the matter for dissemination to contracting officers and incorporation in departmental directives.

Improvements in Neighborhood Youth Corps Program

On the basis of GAO's recommendations, the Department of Labor adopted regulations and guidelines aimed at improving the program. These included establishing goals for measuring project success; reemphasizing the importance of education, skill training, and work experience; reemphasizing the need for employability plans and assessment of enrollee needs; being alert to ineligible enrollees; and reemphasizing the importance of adequate monitoring.

Improved Homeownership Opportunities Program

We reported on weaknesses in the Department of Housing and Urban Development's Turnkey III program—a program to enable low-income families to acquire homes under lease-purchase agreements. The weaknesses included insufficient demand, failure of many families to accept homeownership responsibility, and inadequate homeownership training. We recommended that the Department consider (1) discontinuing the program or (2) strengthening the program to insure that its objectives are achieved. The Secretary of HUD said that the Department (1) has adopted regulations to overcome the problems noted in our report and (2) will discontinue funding additional Turnkey III projects, except on Indian Reservations.

Improved Administrative Procedures For Repair of Houses

HUD's District of Columbia area office, in accordance with our suggestion, improved its administrative procedures for the repair of existing houses insured under the interest subsidy program. The area office established procedures requiring the inspection of authorized repair work, review of contract files by appropriate officials before authorizing payment for repair contracts, and the documentation of procurement files to show the number of firms solicited for repair contracts.

Greater Insurance Protection to Flood Prone Communities

HUD's implementation of our recommendations for improving the administration of the National Flood Insurance Program resulted in greater insurance protection to flood prone communities. In accordance with our recommendations, the Department notified most of the communities not participating in the program of the availability of flood insurance, contracted with private engineering firms to make detailed flood plain studies so participating communities could obtain insurance benefits, notified communities with deficient land use and control measures of what they must do to remain eligible for the program, and began monitoring communities' compliance with HUD's land use and control standards.

Improved Consumer Protection In Interstate Land Sales Transactions

Improved consumer protection in interstate land sales transactions has resulted from HUD's use of our recommendations for strengthening its administration of the Interstate Land Sales Full Disclosure Act. In accordance with our recommendations, the Department increased its staff, acted against certain unregistered land developers which we identified, and established working agreements with the States for exchanging information on land subdivisions and developers who have violated the law.

Improved Controls over Possession Of Nuclear Material

The Atomic Energy Commission amended its licensing regulations to require that suppliers of nuclear materials verify that their customers are authorized to possess the materials being transferred.

Improved Regulations for Medical Uses Of Radioactive Materials

The Atomic Energy Commission published proposed revisions and was preparing final revisions to its medical licensing regulations which will (1) clearly define the functions of physicians and technicians and (2) aid in the reporting of all known misadministrations of radioactive materials to patients.

Improved Protection of Public From Hazards of In-Transit Radioactive Material

The Atomic Energy Commission established new regulations and management procedures for its contractors and licensees to insure the protection of the public and environment from the hazards of in-transit radioactive materials.

Regulation of Outer Continental Shelf Oil Production Operations

The Department of the Interior's Geological Survey is responsible for inspecting and regulating oil and gas operations on the Outer Continental Shelf. To enforce its regulations, the Survey has relied principally on written warnings and, in the Gulf Coast region, also on stopping operations.

Survey inspectors in the Gulf Coast region did not always follow prescribed regional enforcement actions and written warnings by the Pacific region were sometimes ineffective in obtaining prompt correction of deficient equipment.

In response to our recommendations in our June 1973 report to the Subcommittee on Conservation and Natural Resources, House Committee on Government Operations, the agency reinstructed Gulf Coast personnel in July 1973 to apply the prescribed enforcement actions for all violations unless deviations have been authorized, and instructions were given to Survey Western region personnel describing the conditions under which they should halt all or part of the operations on a platform.

Information For Congressional Hearings On Federal Drug Abuse Programs

We assisted the Special Studies Subcommittee, House Committee on Government Operations, in its investigation of drug abuse education, training, and research programs in the Federal Government by furnishing information

on each of the program areas and suggesting questions for use in the hearings.

Extensive use of our information during hearings was made to emphasize the need for changes in various program areas evaluating the Federal strategy to combat drug abuse, such as (1) reductions in long-term training of professionals and amount of stipends paid, (2) change in the direction of research efforts to place less emphasis on marijuana and more emphasis on narcotics, and (3) modification of the education and training programs.

Protection of Consumers From Defective Pesticides

In line with our recommendations for protecting consumers from defective pesticides, the Environmental Protection Agency started cancelling registrations for pesticide found to be ineffective. The agency also issued guidelines providing for the prompt public release of information concerning its enforcement activities.

Improved Procedures for Controlling Grants To Air Pollution Control Agencies

In line with our recommendations, the Environmental Protection Agency issued, in February 1974, improved rules and regulations for controlling program grant assistance to air pollution control agencies. These regulations require EPA regional administrators to annually evaluate each agencies' effectiveness in meeting objectives. Grant amounts may be reduced if the evaluation shows that the grantee agencies have failed, or will fail, to achieve the objectives described in their approved programs. To the extent that grant amounts are reduced, additional amounts will be available for reallotment to other air pollution control agencies within the region.

Improved Adverse Drug Reaction Reporting System

GAO's recommendation that the Food and Drug Administration improve its adverse drug reaction reporting system resulted in more effective use of information to regulate drugs. The agency has provided for additional adverse reaction reporting by Federal and private hospitals and is increasing its efforts to more effectively administer its controls in obtaining adverse reaction information.

Greater Protection for Humans Participating in Testing of New Drugs

As a result of GAO's recommendation, the Food and Drug Administration has (1) provided for increased efforts on the part of its medical officers and (2) plans to make extensive changes toward more stringent regulations for protection of humans participating in the testing of investigational new drugs.

Eliminating the Reuse of Disposable Catheters and Guidewires

As a result of GAO's recommendations to the Secretary of Defense and the Administrator of Veterans Administration, both agencies have taken actions to assure that disposable catheters and guidewires used in vascular studies would not be reused. There is evidence to indicate that the reuse of these devices could result in increased potential for infections and other health problems.

Reduced Waiting Time For Clinical Appointments

At our suggestion, the VA developed, tested, and evaluated a pilot study for reducing the length of time a veteran had to wait to see a physician at an outpatient clinic. The study was deemed successful and VA developed the methodology to implement a centralized scheduling system for veterans seeking care at the outpatient clinics for all VA hospitals. On June 3, 1974, VA Central Office issued a directive to all VA hospitals instructing them to implement the system.

Elimination of a Kidney Transplant Unit

We recommended that VA evaluate its kidney transplant program to redetermine the number

and locations of transplant centers needed and discontinue existing services which cannot be expected to meet VA workload criteria, particularly at the Manhattan VA Hospital where only two transplants were performed over a 3-year period. As a result, VA withdrew funds for its transplant program at the Manhattan VA Hospital and advised us that the hospital is no longer considered a part of the kidney transplant program.

Closing Supervoltage Therapy Units

We recommended that VA evaluate existing supervoltage therapy units and decommission duplicative or underused facilities by (1) consolidating services at VA hospitals within metropolitan areas and (2) closing underused services when the services are available at other Federal or community hospitals in the area. This resulted in VA taking action to close some of these supervoltage therapy units and consolidating others.

Educational Benefits

As a result of our recommendations, VA has begun to publish and distribute correspondence course cost and completion rate information which should aid veterans in their decisions about home study training.

VA Contract Settlements

As a result of our examination into irregularities involving a proposed multi-million dollar claims settlement on a VA hospital construction contract, the Congress enacted legislation requiring an independent audit and approval through the appropriations process of all VA contract settlements in excess of $1 million.

Establishing Independent Review Systems in International Organizations

During the past several years we have made recommendations in reports and testimony before congressional committees for legislation which would assist in establishing independent review and evaluation systems in the international development organizations.

In the Foreign Assistance Act of 1973, the Congress enacted legislation which required the President, acting through the U.S. representatives to the World Bank Group, the Asian Development Bank, and the United Nations System, to propose the establishment of an independent review program in each of the organizations. The law also required that statements of auditing and reporting standards be prepared by the Comptroller General of the United States and presented for the consideration of the organizations' governing bodies to assist in formulating terms of reference for the independent review system. (See Legislative Recommendations, Appendix 1.)

Developing Countries' External Debt And U.S. Foreign Assistance

We reported that the Congress may wish to consider legislation requiring comprehensive reporting on developing countries' debts by the Secretary of State in January of each year for the committees of the Congress in their considerations of authorization and appropriation proposals. Such reporting will make available current summary perspectives of the worldwide dimensions of the debt burden problem, as well as the specifics of debt relief granted or proposed.

In the Foreign Assistance Act of 1973, the Congress enacted legislation which requires the President to transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate, not later than January 31 of each year, a comprehensive report, based upon the latest data available, to meet this need. (See Legislative Recommendations, Appendix 1.)

COLLECTIONS AND OTHER MEASURABLE SAVINGS AND GAO'S APPROPRIATION

FISCAL YEARS 1964 THROUGH 1974

Fiscal year	Collections and other measurable savings	Appropriation
1964	$ 321,489,000	$ 45,700,000
1965	186,780,000	46,000,000
1966	130,637,000	47,435,000
1967	190,147,000	49,350,000
1968	232,834,000	54,359,000
1969	187,575,000	59,614,000
1970	250,101,000	70,287,105
1971	267,910,000	79,991,000
1972	292,261,000	89,208,000
1973	284,100,000	98,035,000
1974	562,443,000	109,450,000
Total	$2,906,277,000	$770,359,105

INDIVIDUAL ITEMS

Mr. STAATS. We could go down and spend the rest of the day here on individual items. I don't think that is necessary to make our point.

TYPES AND LOCATIONS OF SAVINGS NOT INCLUDED IN THE $562 MILLION

Just to give you some indication of the kinds of things where savings are there, but which we do not include in the $562 million, Mr. Chairman, at the bottom of page 18, we refer to consolidation of the Navy's reserve fleet maintenance and preservation activities, delaying of purchases of foreign currency not needed for current operations; providing more economical upkeep and management of residential properties acquired by HUD, and diverting to productive uses of some 400 man-years through revised Navy change of station travel policies.

These actions at the bottom of page 18 and the top of page 19 are all actions which have been taken by the agencies concerned, but which are not in the $562 million. That is what I wanted to point out to you.

Senator HOLLINGS. You saved $562 million?

Mr. STAATS. That we could measure. There is a lot more than that that which we cannot measure. That is what I am trying to say at the bottom of page 18 and the top of page 19. These have all been recommendations that we have made which the agencies have implemented, but they are not in the $562 million; they are over and above the $562 million.

MONITORING OF SUMMARIES, CONCLUSIONS AND RECOMMENDATIONS

Senator HOLLINGS. I read in your annual report of summaries and conclusions and recommendations you provided for the committee's use in reviewing agency budgets. Did you monitor this to see how many recommendations were actually carried out in legislation?

Mr. STAATS. I want to be sure I understand your question. Do we monitor whether legislation has been enacted to carry out our recommendations?

Senator HOLLINGS. Right.

Mr. STAATS. Yes; indeed, we do that.

Senator HOLLINGS. What do you find in that monitoring? Are they generally carrying those things out or not?

Mr. KELLER. I think it is fair to say that a good percentage of our recommendations are considered and a percentage of those are adopted. I couldn't give you a mathematical count on it. We do follow up the Appropriation Committee's action to see what action is taken.

Mr. STAATS. We do think it is useful for the Congress to have us summarize at the end of the year recommendations for changes in legislation which we have made which are still before the Congress for consideration and supply that to each of the committees of jurisdiction on that particular matter.

We have been doing this for the Appropriations Committees for years, but a result of the suggestion that came from the Joint Committee on Congressional operations, we are now doing this for other committees as well.

SUBPOENA POWER

Senator SCHWEIKER. I know there has been a bill working through for several years to give you subpoena power when you need to get records. What is the present status of that?

Mr. STAATS. We will be resubmitting that, we hope, shortly. It has not been enacted, no.

Senator SCHWEIKER. That will go to the Government Operations Committee. Is that right?

Mr. STAATS. Yes.

Senator SCHWEIKER. It will be resubmitted?

Mr. STAATS. Yes; it did pass the Senate 3 years ago, but it was not acted on in the House.

IMPORTANCE OF SUBPOENA POWER TO WORK

Senator SCHWEIKER. How important do you feel that is to your work and responsibilities that the Congress has given you?

Mr. STAATS. We think it is very important, not in terms of number of times that we think we would have to apply it, but the fact that we could apply it. It would speed up greatly the process of getting information that we need for our audit work.

It would greatly expedite the situation in a great many cases. We have one situation now where we have been negotiating almost 3 years with the industry for cost information, which they are required by law to provide us.

Senator SCHWEIKER. They are not giving that to you?

Mr. STAATS. They are not giving it to us. They are taking us into court. But the way the thing operates, it would be maybe after my term of office before we will have a resolution. So we think the residual authority to exercise the subpoena power would be tremendously helpful to us.

Senator SCHWEIKER. That would assure compliance without a lot of subpoenas?

Mr. STAATS. Pardon?

Senator SCHWEIKER. Would that assure compliance without a lot of subpoenas?

Mr. STAATS. We think so.

ASSISTANCE TO BUDGET COMMITTEE

Senator HOLLINGS. Am I correct that for the Budget Committee you had correspondence but no request?

Mr. HUGHES. Yes.

Senator HOLLINGS. You don't list any.

Mr. MORRIS. This is the listing only for the Senate Appropriations Committee, sir.

Senator HOLLINGS. I am talking about attachment one here to your statement.

Mr. HUGHES. We were asked by the committee for help. You saw Senator Muskie's letter. We have a comparable letter from the House Committee requesting that we assist them in producing the April report in the absence of a Congressional Budget Office.

Senator HOLLINGS. What type of assistance did you give them, Mr. Hughes?

Mr. HUGHES. We gave them assistance of several kinds. We produced a package of issues which might be addressed in looking at the President's Budget including a discussion of major energy issues. We did some basic work in the analysis of the President's Budget itself, of the changes therein, of the degree of controllability, and of some of the major areas of flexibility, which might be addressed.

Senator HOLLINGS. Very good, sir.

EXAMPLES OF WORK

Mr. STAATS. I don't think it is necessary to take the time to go over those items on page 21, which are really examples of work that we are doing for various committees of the Congress.

GAO ENERGY WORK

Page 22 and carrying over on page 23, we are giving you some illustration there of work that we are doing on our own initiative in large part and we point up here on page 23 that we are giving special priority to work in the field of energy and we have set up an Office of Special Programs to try to pull together all of our activities involved in energy and materials and food.

DUPLICATION SAFEGUARDS IN GAO

Senator HOLLINGS. What about duplication there? That is another thing. Maybe I am getting on too many committees, but energy,

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materials and foods is exactly what the Office of Technology Assessment told us about yesterday. Mr. Daddario sat here for an hour and talked about all he is doing in energy, materials and food. Is there any coordination between GAO and the OTA? Is someone in your office handling this?

Mr. STAATS. Yes. We have a setup within our office to avoid situations where we are involved in the same thing. We have to say here that since they are getting requests from various committees, some of those committees are not aware of what we are doing.

We have a problem of coordination. So Mr. Daddario and I have agreed that whenever we get a request of this type we will try to coordinate.

If one of us is already involved, we will refer the committee to the other party.

Senator HOLLINGS. On page I–5 of the justification you say:

> The basic purpose of the advisories will be to (1) develop bibliography of the key literature relative to the identified subject area, (2) serve as a primer on selected elements of energy problems, (3) identify key problems, (4) identify alternative solutions to them, and (5) consider the trade offs involved in selecting among the various alternatives, including energy environmental trade offs.

Why aren't those left to the Congressional Research Service to do?

Mr. STAATS. This is material that our own people need internally to carry on the audit work that we are involved in. This is a small central staff that we felt we had to have. We could do it in the divisions, sure. But it is more economical, more effective as we are organized to do it centrally.

I think you can argue it would be cheaper than if each of the divisions in our office tried to do it on their own.

Mr. HUGHES. We are utilizing the Congressional Research Service.

Senator HOLLINGS. You do?

Mr. HUGHES. Yes; indeed.

Senator HOLLINGS. How do you coordinate it?

Mr. HUGHES. We are in close touch with them as with the Office of Technology Assessment. As you well know, there is a fair amount of good work, non-duplicative work to be done in the energy business.

It is unfortunate that neither in the Legislative Branch nor in the Executive Branch is there a central point for dealing with energy.

ENERGY CZARS

Senator HOLLINGS. It might be well to put in the record that after President Nixon was reinaugurated, they had Kenneth Lee, an Assistant Secretary of Interior as Energy Czar until Christmas time when they switched over to Dr. James Atkins. He became the energy Czar, until the former President decided that he didn't have time to talk to all of those Cabinet members and he had to have super Cabinet officers.

One of them was Energy and Natural Resources, and Secretary Butz became Czar. Until, of course, we had the passage of the Energy Policy Council in the Senate, the administration said:

> I have got that—I have got an Energy Policy Committee of Kissinger, Schultz, Ehrlichman.

We couldn't find Henry. Mr. Schultz was looking to the third devaluation, and Ehrlichman was beginning to talk only to the grand jury.

The President promised to report on energy. So he hired Charles Debona and made him Energy Czar and submitted it in April. As they used to say down there, it didn't fly in Peoria. So he brought in Governor Love in June. He lasted until November, and then Mr. Ash took it over for 5 weeks as Energy Czar.

Then came Mr. Simon, then came Mr. Sawhill, then came Mr. Zarb, and now comes Mr. Morton. They just transferred Mr. Morton over to Commerce. I don't know who the new one is going to be.

But that is the real problem in the Government. In the last 18 months, we have had about 12 Czars. We have tried to keep up with it. I don't know who to ask on an energy problem in the Administration, and of course they don't know either. It is convenient that way.

ENERGY AREA

Mr. STAATS. Mr. Chairman, as you know, the work we have done with you on the energy area, we are strongly in favor of the concept of the Department of Energy and Natural Resources, plus the Energy Council that you have supported and which we have also supported.

But we see all kinds of problems until and unless we can bring more of these programs together.

STAFF REQUIRED FOR REVIEW OF FBI'S INTELLEGENCE OPERATIONS

Senator SCHWEIKER. Mr. Chairman, I am sorry I missed the earlier discussion about the GAO review of the FBI. I was conducting the hearing next door for the HEW appropriations. Being a member of the Senate Committee on Intelligence, how many people do you envision in your review of the domestic intelligence operation of the FBI that you are doing, for the Judiciary Committee that you mention on page 21? How many staffers will that take?

Mr. KELLER. Right now we have about 18 working on the study.

BASIC OBJECTIVE OF FBI STUDY

Senator SCHWEIKER. Basically, what is the basic objective of the study?

Mr. KELLER. The basic objective of the study is to evaluate the internal security operation of the FBI to ascertain what their policy is, how they carry out their policy, and how it spills over into the interchange of information with other intelligence agencies.

Mr. STAATS. And to see whether we can find ways of doing it more economically, whether their guidelines internally, and the selection of cases, are in accordance with the law. We spelled out five objectives of this review.

We would be glad to put that in the record or otherwise make it available to you.

DUPLICATION OF WORK BY GAO AND COMMITTEE TASK FORCE

Senator SCHWEIKER. I am particularly interested that we are not overlapping. We do have a task force on domestic surveillance by the FBI and the domestic intelligence activities of the FBI, and my guess is maybe 20 people working on that aspect.

Mr. KELLER. Our people, Senator, have been in contact with your staff; just so the staff of the select committee understands what we are getting into. At this point, I am not aware of any conflict. Of course, the committee is just getting underway.

Senator HOLLINGS. I don't see how you are going to do anything but duplicate. I don't know how you go into any part of it without going into the entirety of it and the internal security policy and the activities of the FBI and how you coordinate it with the CIA. You look and you have 20 and he has 18. You all ought to meet each other running around the corner.

NEDZI AND CHURCH COMMITTEES

Mr. STAATS. With the House Judiciary Committees concurrence, we have been in touch with both the Nedzi Committee and the Church Committee. They are fully up to date on what we are doing.

There is agreement that if any of our material can be usefully applied in those two cases, it will be done.

Senator SCHWEIKER. Who have you worked with on the Church Committee? Who is your contact there?

Mr. STAATS. The staff director, Mr. Miller?

Mr. KELLER. About 2 weeks ago we had a meeting with a number of staff members. I wasn't there. But our people were. The ground was covered fairly thoroughly.

OBJECTIVES OF STUDY

Senator SCHWEIKER. Will you send me, maybe the committee is interested, too, the objectives of the study?

Mr. KELLER. Yes, sir, it will be furnished to you by a letter.

Senator HOLLINGS. We certainly are and I'll have the clerk place it in the record when it comes up.

[The letter follows:]

U.S. General Accounting Office

Review of the FBI's Domestic
Intelligence Operations

The objectives of GAO's review and the types of FBI material needed to achieve them follow.

I. ASSESS THE LEGAL AUTHORITY TO CONDUCT, MAINTAIN, AND DISSEMINATE DOMESTIC INTELLIGENCE INFORMATION

Information to develop this objective can be obtained by reviewing public testimony by FBI officials and by analyzing legal briefs prepared for us by the FBI.

II. DETERMINE THE POLICIES, PROCEDURES, AND CRITERIA USED BY THE FBI TO CONDUCT DOMESTIC INTELLIGENCE OPERATIONS

Information needed to achieve this objective includes appropriate sections of the FBI's Manual of Instruction and Manual of Rules and Regulations; internal FBI memorandums or communications providing instructions and explanations as to how to implement such policies and procedures.

III. DETERMINE THE WAY DOMESTIC INTELLIGENCE OPERATIONS ARE CARRIED OUT AND WHETHER THEY ARE CARRIED OUT IN ACCORDANCE WITH APPROVED POLICIES, PROCEDURES, AND CRITERIA

Detailed information from randomly selected case files, in addition to interviews with appropriate FBI special agents, is necessary to complete this objective.

IV. DETERMINE HOW THE FBI USES, PRESERVES, AND DISSEMINATES DOMESTIC INTELLIGENCE INFORMATION

FBI policy documents relating to preservation and retention of such data, plus access to FBI documents disseminated to other agencies is needed to achieve this objective.

V. DETERMINE THE EFFICIENCY AND EFFECTIVENESS OF THE FBI'S DOMESTIC INTELLIGENCE OPERATIONS

To complete this objective the following types of information are needed:

--Budgetary, manpower, and caseload data over a period of years for all FBI operations to observe trends and place domestic intelligence operations into perspective.

--Statements and views of FBI and other intelligence agencies regarding the extent to which the FBI is aware of the existence, philosophies, and membership of groups it has identified as serious threats to the nation's security and tranquility.

--Statements and views of FBI and other intelligence agencies regarding the extent to which the FBI was aware of action planned by such groups before it occurred and, therefore, advised appropriate authorities of such action so they could take appropriate action.

--The number of referrals for prosecution and convictions in domestic intelligence cases.

Senator SCHWEIKER. That is all.

1955 REPORT ON CIA AND FBI

Senator HOLLINGS. When the GAO gets through, I would suggest to the two congressional special committees, the Rockefeller Committee, and the Judiciary Committee of the House, that they get the Hoover Commission Task Force study in 1954 and 1955, the report was in 1955 on both the CIA and the FBI and rewrite that. They can't help but come out the same thing.

There is a lot of duplication in the intelligence communities studying and investigating each other. It is the most amusing thing in the world.

We went into it. There were 13 to 17 different agencies; the National Security Agency, and everything else. I was on that Commission and each one would make a report on me going into them. They asked the same neighbor: Does he drink liquor? Is he a homosexual? That would be the first time.

But after the fifth agency would come to the next door neighbor, and ask: Does he drink liquor; is he a homosexual? They were beginning to wonder. I would have to explain myself around.

It is the same thing. Now we have got everybody into it. You might as well go ahead, whoever is in charge of the GAO report, and pull that report and update it.

DIFFERENCE OF OPERATIONS OF GAO AND CRS

Senator SCHWEIKER. You said you are going to coordinate your program with OTA a moment ago, so you don't get duplication in the projects. How about CRS? Wouldn't there be some possibility there? Could that be included?

Mr. STAATS. We have arrangements where we supply CRS with all of our reports. They supply us with a list periodically, which is once a month, or something like that, with all of their reports.

We have established a liaison point. But fundamentally, unlike the OTA, where I think we do have some concern, there is no real problem between us and CRS because CRS is operating fundamentally from information that is already available, bibliographies, background memoranda, policy issues, this type of thing which they can draw on published material. We have to go out and dig up the information. That is the fundamental difference between their operation and ours.

They also work with the committees in a somewhat different way than we do. They work with the committees in setting up witness lists, helping prepare committee reports and things of this type which take on the aspect of kind of a pooled staff for the committees of the Congress.

That is a different kind of a role than we play. We have to go out and dig out the information ourselves in more of an investigative type approach.

Senator HOLLINGS. I am very mindful that Mr. Staats is a distinguished member of our OTA Advisory Council. So we have to watch so we don't duplicate, that is the main thing.

On the oceans effort, I can tell you how we coordinate it. We have the CRS, OTA, the Library of Congress, all working in the

same direction. It is the best team effort I know going on on the Hill today.

OTA

Mr. STAATS. If I may, Mr. Chairman, I think the concern, I won't describe it as a problem, the concern that I have with respect to the OTA is that technology runs through almost everything we do in our society. If their concern is with any program of the Government that may have a technology component in it, then they are talking about almost as broad a field as we are.

But the statute is primarily addressed to new technology and what the costs and benefits of the new technology would be, good or bad.

This is a concern that I have and I am not saying anything I haven't already said to Mr. Daddario and I have put it in writing to the Chairman of our Advisory Council.

Senator SCHWEIKER. I am not disagreeing with you. I think we have to work very closely here to eliminate some duplication. The only thing I don't understand is what technology today is a new technology? Every technology on the place is being updated and made current and obsolete.

Mr. STAATS. I see on the list of projects that they are undertaking a study of why the cost of medical care is going up, or the management of R&D Laboratories. I don't know how far you can go in that direction without danger.

Senator SCHWEIKER. We asked a few of those questions yesterday. But when you talk technology, that is a pretty broad one, too. I am not quite sure where you draw the line.

Mr. STAATS. That is the problem.

Senator SCHWEIKER. I believe we should try to draw some lines.

INITIATIVE WORK

Mr. STAATS. I think we have covered a good deal of the balance of my statement already, Mr. Chairman. On Page 24, we are simply listing some work that we have done on our own initiative.

DEVELOPMENT OF ACCOUNTING PRINCIPLES AND STANDARDS

Senator HOLLINGS. On page 25, Senator McClellan asks, "Please provide a detailed explanation for the statement on page 25 that GAO plans to re-balance its resources to stress more heavily the manner in which accounting systems contribute to the agency operations."

Mr. STAATS. We have responsibility, Mr. Chairman, for development of accounting principles and standards under which the agencies operate. We have to, under the law, cooperate with them in developing the accounting system and then we have to approve it finally.

Senator HOLLINGS. Why is it after 25 years of working on this you still have got to improve Interior or Agriculture?

Mr. STAATS. You should have seen what it looked like 9 years ago.

Senator HOLLINGS. Is it looking better?

Mr. STAATS. It is looking very good comparatively and our program here, as you can see, is to have all of the systems approved by 1980.

Senator HOLLINGS. This is like Operation Independence. That scares me.

Mr. STAATS. It scares our staff who also believe the schedule is optimistic.

Senator HOLLINGS. That is fast?

ACCOUNTING SYSTEM FOR DEPARTMENT OF DEFENSE

Mr. STAATS. Yes; indeed. You take an accounting system for the Department of Defense, or any major component of Department of Defense, you have to develop a computerized information system to go along with it.

AGRICULTURE AND INTERIOR

Senator HOLLINGS. I am talking about Agriculture and Interior. They have the Indian Affairs and subsidies.

Mr. STAATS. I believe you are on the wrong page.

Senator HOLLINGS. It is right here. They are still not 100 percent approved. I can understand the moving target of the defense and all of the materiel, weaponry systems, and everything else. But they are still talking about the same family farm and it is still the same Indian problem.

Mr. STAATS. What is your page reference, Mr. Chairman? Are you talking about the annual report?

Senator HOLLINGS. Yes; on page 31, yes.

Mr. STAATS. I am sorry. Would you mind repeating the question?

Senator HOLLINGS. My question is just why we don't have Interior's and Agriculture's Accounting Systems fully approved. You said you were sneaking up on it, after 25 years, and if we give you 5 more years, you can do it.

PERCENT OF COMPLETION OF ACCOUNTING SYSTEMS

Mr. STAATS. We will have all of them done except Defense long before that; 98 percent of the principles and standards are approved. We have about 43 percent of the systems themselves approved. The first complete Cabinet department system approved only in the last 3 or 4 years.

ENFORCEMENT OF APPROVED STANDARDS

Senator HOLLINGS. How do you enforce those standards once you approve it? Do you from time to time go back?

Mr. STAATS. What we are saying here is we have audit staff to go out and audit them in operation. We set up a special staff to be sure that the systems are working. That is what we refer to here, re-balance the use of our resources to stress more heavily the manner in which the accounting systems contribute to the operations. That is the auditing of the system as they are actually working out. You have to go in after they have been in operation to demonstrate their ability to produce the information needed.

I would like to submit something further, Mr. Chairman, on this.

Senator HOLLINGS. We will be glad to have it and it will be inserted at this point.

[The exhibit follows:]

REBALANCING RESOURCES TO STRESS MORE HEAVILY THE MANNER IN WHICH ACCOUNTING SYSTEMS CONTRIBUTE TO AGENCY OPERATIONS

The program catetory entitled "Examination of Agencies' Financial Systems, Transactions, Accounts, and Reports" is estimated to utilize 243 staff-years in FY 1975 and it is planned to use the same level in FY 1976. However, the distribution of resources among the several activities is expected to change in the following proportions:

	STAFF-YEARS* 1975	1976	CHANGE
1. Reviews of Accounting Systems in Operation	69	77	+ 8
2. Examination of Financial Statements	80	85	+ 5
3. Audit and Settlement of Accounts, including pay audits	94	81	-13
	243	243	0

Some fluctuations of this type are to be expected from year to year. The important trends in FY 1976 are as follows:

--First, as indicated, the principal savings in staff-years result from a change in the nature of the work which we will perform at the four Military Finance Centers, located in Cleveland (Navy), Denver (Air Force), Indianapolis (Army), and Kansas City (Marine Corps). With the installation of the more accurate military pay system (known as Joint Uniform Military Pay System--JUMPS), and with improvement in the quality of the agency's own audits, GAO's work can be done on a more selective basis. Our work will be concerned with tests of the JUMPS system, periodic reviews of the procedures and operations of the Finance Centers, and special reviews of various functions and entitlements. We are also planning to make on-site audits of field installations, where the payment documents originate, in order to evaluate the inputs into JUMPS and to verify leave accounting which cannot be done at the Finance Centers.

--Second, the resources conserved by the above changes will be divided during FY 1976 between our reviews of accounting

systems in operation and our ongoing audits of corporations. The latter audits are required under specific statutes, such as the Government Corporation Control Act, and are commercial-type audits of organizations such as the Panama Canal Company, the Crop Insurance Corporation, and the Federal Deposit Insurance Corporation.

Fifteen reports were submitted on this work in FY 1974 in which we commented on financial statements. Sixteen additional reports contained recommendations for improving financial management. Where the resources available permit, we look into the operations of entities under audit, as for example, hospital operations in the Panama Canal Zone.

But the principal usage of the additional resources available in FY 1976 which are regularly scheduled for this general program area, will be directed to "Reviews of Accounting Systems in Operations." These reviews range in scope from brief (50 to 100 man-day) reviews--made shortly after the system design has been approved to determine whether the design has been effectively implemented--to comprehensive reviews where warranted (500 to 1,000 man-day) of both approved and unapproved systems.

At June 30, 1974, 284 accounting systems had been defined by executive agencies and the District of Columbia. At the end of fiscal year 1975, reviews will have been completed on 63 systems and another 30 are scheduled for completion during FY 1976, leaving 191 to be reviewed as of June 30, 1976.

The increased resources planned for FY 1976 in this sub-function will be applied primarily to recently approved systems to determine whether they have been properly implemented. Under the goal of the Comptroller General to complete approval of all accounting systems designs by 1980, there has been major progress in the rate of approvals in the last two fiscal years--with 40 systems designs having received such approval. We expect this accelerated progress to continue and thus to increase the workload on those who review accounting systems in operation.

We will also continue under this line of effort our surveillance over agency internal audit and other financial management activities, including accountable officer functions.

OFFICE OF INTERNAL REVIEW

Senator HOLLINGS. Am I correct that the Office of Internal Revenue audits the GAO?

Mr. STAATS. It is Office of Internal Review.

Senator HOLLINGS. Excuse me. You audit your own GAO?

Mr. STAATS. That is right.

Mr. KELLER. It is a very small staff that reports directly to Mr. Staats and to myself.

Senator HOLLINGS. They had a little criticism there of the GAO merit promotion system. What have you done about that?

Mr. STAATS. I am not sure what you——

Senator HOLLINGS. The GAO merit promotion system.

Mr. STAATS. We had them take a look at our system.

Senator HOLLINGS. Did they disclose certain improprieties.

Mr. STAATS. We ask them each year, Mr. Chairman, to review the implementation of our equal employment opportunity program. Maybe that is what you are referring to.

Senator HOLLINGS. That is right.

Mr. STAATS. We plan to do that each year. In fact, it is a part of our equal employment opportunity plan that we submit to the Civil Service Commission. Incidentally, the results of this review are made available to our Equal Employment Opportunity Advisory Council.

It is a way of monitoring internally how well we are doing in many of these areas. We expect each agency in the Government to have a strong internal audit and management review system and we feel that we should have the same.

EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

Senator HOLLINGS. With respect to black employment, what proportion of the General Accounting Office is black employees?

Mr. STAATS. Are you interested in total or breakdown by professional?

Senator HOLLINGS. We need it by grade level. Every time we ask we get a certain percentage. We want to be sure we are not just getting the janitors.

It is the same thing in each department. You might want to get that and furnish it for the record.

Mr. STAATS. We have that available. We will furnish it for the record.

[The information follows:]

EQUAL EMPLOYMENT OPPORTUNITY PROGRAM
POSITION AND STATUS PAPER--FEBRUARY 1975

Since passage of the EEO Act of 1972, GAO's equal opportunity program has continued to receive priority attention and has made good progress. Central to our effort is a belief that a successful program can and should be built as an integral part of our management and program plans.

We believe that compliance with EEO statutes and regulations is compatible with effective personnel management, including the merit system. They are interdependent and interrelated. Consequently, our ultimate objective--managing staff resources so as to make equal opportunity a way of life in GAO--will be more rapidly and effectively achieved by integrating our EEO policies and practices with all other program and work objectives.

EMPLOYMENT AND RECRUITMENT OF MINORITY PERSONS AND WOMEN

I. Employment Profile: July 1972 - December 1974

A. During the period from July 1, 1972--shortly after passage of the EEO Act of 1972--through December 31, 1974, minority employment in grades 1 through 4 dropped from 341 persons to 250, a decrease of 91 or 27 percent. At the same time, minority employment in grades 5 through 8 increased from 227 persons to 433, up 206 or 91 percent.

This shift was largely due to job reclassifications, promotions, training programs, and our minority college recruitment effort. A shift also occurred among white persons in these same grades during the same 30-month period. White employment in grades 1 through 4 dropped from 227 to 185, down 42 or 18.5 percent. In grades 5 through 8 it increased from 550 to 634, up 84 or 15.3 percent.

B. In grades 9 through 12, minority employment increased from 103 to 195, up 92 or 89 percent. Among whites in these grades employment decreased from 1943 to 1895, a drop of 48 or 2.5 percent.

C. In grades 13 through 18 minority employment increased from 17 to 40, up 23 or 135 percent. White employment in these grades went from 1356 to 1552, up 196 or 14.5 percent.

D. Overall, 688 minority persons accounted for 14.5 percent of the GAO General Schedule work force on July 1, 1972. By December 31, 1974, their

number had increased by 235, bringing their total to 923 or 17.8 percent of the work force. Significantly, total GAO employment in grades 1 through 18 increased by only 425 during this same period. In other words, minority members have accounted for 55.3 percent of our employment growth over the past 2.5 years.

The table below shows the change in the minority composition of our work force according to grade grouping:

Grade Levels	Minority Employees as a Percentage of all Employees		
	July 1972	December 1974	Change
1-4	60.0	58.0	- 2.0
5-8	29.2	40.6	+11.4
9-12	5.0	9.3	+ 4.3
13-18	1.2	2.6	+ 1.4

(See Appendix A for a more detailed view of 1972 and 1974 employment profiles.)

II. Recruitment of Professional Staff

A. Our college recruitment effort covering FY 1974 and the first half of FY 1975 resulted in the employment of 141 minority persons (men and women) and 101 white women, a total of 242 people out of 601 hires for GS-7 and 9 entry levels positions. Our combined minority/female hiring figure was therefore 40 percent, a number far surpassing the 27 percent goal of our 1974 affirmative action plan, and the 30 percent goal of our current plan.

B. The following table provides a statistical review of our efforts:

Results of College Level Recruiting
for the 18 months ended December 31, 1974

Category	Number hired	1975 Percent goal	Percent of total persons hired	Percentage difference
Black	86	10	14.3	+ 4.3
Spanish	41	5	6.8	+ 1.8
Indian	0	1	0.0	- 1.0
Oriental	14	1	2.3	+ 1.3
White female	101	13	16.8	+ 3.8
Subtotal	242	30	40.2	+10.2
White male	359	70	59.8	--
Total	601	100	100.0	

C. Importantly, these results were achieved while maintaining our traditionally high employment standards. In FY 1974, we recruited at 143 colleges and universities with significant minority and/or female enrollments. These schools represented 45 percent of all colleges visited. A total of 254 visits were made by 55 minority and 26 women recruiters to 173 campuses.

Among these visits was a successful recruitment mission to Puerto Rico, the first GAO has made there. Much of our recruitment effort has involved advance work to generate a broader campus interest in GAO and to emphasize our commitment as an equal opportunity employer.

D. The following table provides a statistical review of our efforts to recruit minority persons and women for upper-level positions (GS-11 and above):

Results of Upper-Level Recruiting
for the 18 months ended December 31, 1974

Category	Persons hired or scheduled to report	1975 Percent goal	Percent of total hired/to report	Percentage difference
Black	12	10	7.6	-2.4
Spanish	5	5	3.2	-1.8
Indian	0	1	0.0	-1.0
Oriental	0	1	0.0	-1.0
White female	25	13	15.7	+2.7
Subtotal	42	30	26.5	-3.5
White male	117	70	73.5	--
Total	159	100	100.0	

III. Establishing Employment Goals and Timetables

Because of the equal employment progress made in recent years, particularly in fiscal 1973 and 1974, we were encouraged this past summer to commit substantial resources to a project we believe to be quite successful. GAO is one of the first Federal agencies to develop long range goals and timetables for the employment of women and minority persons.

The results of our pilot project--which because of data and manpower considerations do not yet include each of our 15 regional offices--are tentative only. But they will serve as a valuable tool in setting realistic hiring goals for women and members of the various minority groups through FY 1977 and, with more refinement, through this decade.

ESTABLISHING EEO GOALS

Fundamentally, establishment of EEO goals is premised on the notion that equal employment opportunity constitutes a matching of tasks on the one hand with available capabilities on the other, without regard to the race, color, religion, national origin, or sex of the individuals embodying the capabilities.

In the absence of discrimination, there should be a high correlation between the minority and women proportions of two groups: the group of persons in the

organization who perform certain tasks and the group of persons in the external labor pool who are capable of performing those tasks and are available for employment by the organization.

To put the proportionality premise in terms of numerical goals, therefore, two determinations must be made, one concerning the organization's work force and the other concerning the labor pool outside the organization.

First, it is necessary to determine what is the total number (and minority and women proportion) of personnel in the organization who perform certain tasks, and what will be the total number for each year of a specified timetable. Second, it is necessary to determine what is and will be the labor pool (and minority and women proportion thereof) available for employment by the organization and capable of performing certain organizational tasks, for each year of the timetable.

UPWARD MOBILITY PROGRAMS

In November 1973 our "preprofessional" upward mobility program became operational. It creates new developmental or "bridge" jobs which, together with college training at GAO expense, offer opportunities for employees in the lower grades to cross over into our professional ranks where greater potential exists for career advancement. There are currently 42 participants in the program. By the end of FY 1976 this number will increase to 64.

The following charts present a brief statistical profile of persons currently participating in our three preprofessional programs:

MANAGEMENT ANALYST ASSISTANTS

Grade	Oriental		Black		Other		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
4	-	1	1	-	-	3	1	4
5	-	-	-	6	-	4	-	10
6	-	-	3	7	1	5	4	12
Total	0	1	4	13	1	12	5	26

MANAGEMENT ANALYST TRAINEES

Grade	Oriental		Black		Other		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
6	-	-	-	-	-	1	-	1
Total	-	-	-	-	-	1	-	1

CLAIMS ADJUDICATOR ASSISTANTS

Grade	Oriental		Black		Other		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
5	-	-	-	4	-	-	-	4
6	-	-	-	6	-	-	-	6
Total	-	-	-	10	-	-	-	10

(The number of preprofessional positions will gradually increase through FY 1976 when we anticipate having 64 persons in the program at one time.)

We also have an upward mobility program for employees aspiring to the technical position of freight rate specialist. The chart below profiles participants in this program.

FREIGHT RATE SPECIALISTS

Grade	Black		White		Total	
	Male	Female	Male	Female	Male	Female
4	0	1	1	0	1	1
5	1	4	2	0	3	4
6	1	0	0	1	1	1
7	3	3	0	2	3	5
8	1	0	0	1	1	1
Total	6	8	3	4	9	12

ORGANIZATION AND STAFFING

I. EEO Office

A. During the past 16 months our Director of Program Planning has also served as Director of EEO. The respective responsibilities of both positions were merged so as to enhance achievement of a major objective--integration of equal opportunity planning with all other GAO management planning.

B. Our EEO Office is presently staffed by three full-time equal opportunity specialists: a Deputy Director, a Federal Women's Program Coordinator (position temporarily vacant), and an EEO Monitor whose primary responsibility is to ensure follow-through action by line personnel charged with implementing the various elements of our annual affirmative action plans. In FY 1976, we plan to allocate a full-time administrative assistant position to the EEO Office.

C. Our Spanish-Speaking Program is coordinated by the EEO Deputy Director. He is assisted by nine part-time regional coordinators. Program emphasis to date has been on hiring more persons of Hispanic origin for our professional staff. Results of this effort remain encouraging.

D. Our Federal Women's Program, headed by a full-time coordinator, is supported at the headquarter's level by a volunteer advisory committee and by an elected liaison representative in each of our 15 regional offices. This program also emphasizes the recruitment of women for our professional staff, as well as fostering improved career opportunities for clerical and administrative personnel.

E. Our discrimination complaint processing system is staffed by 13 part-time EEO Counselors in the Washington metropolitan area, plus 22 counselors in our regional offices and sub-offices. We have eight complaints investigators assigned to headquarters, and another five to field operations. When investigating a formal charge of discrimination they devote their full-time to a case.

II. Upward Mobility Programs

Our Director of Upward Mobility Programs occupies a full-time position. He is assisted by a full-time professional, and recently had another one-half staff year allocated to his personnel ceiling. This will be increased to a full staff-year in FY 1976. The UMP Office also has one person in a full-time support position.

III. EEO Advisory Council

The 18-member Equal Employment Opportunity Advisory Council was established in FY 1972 to provide an effective means through which employees can express their concerns and participate in development of EEO policies and programs. For example, Council views were instrumental in our decision to establish upward mobility programs, and it participated with management in developing the details of the program. More recently, the Council assisted in preparing for a smooth transfer later this year of our transportation audit personnel to the General Services Administration, in accordance with the General Accounting Act of 1974 (PL 93-604).

Election of new Council members for 2-year terms occurs annually in February, with 7 of the seats up each year. In addition to 14 elected representatives from the various headquarters divisions and offices, the Council has 4 seats guaranteed to employee organizations. They include the Black Caucus, 2 labor unions, and the GAO Employees Association. Coun-

cil members are granted 4 hours biweekly to work on Council business. Additional time is provided to members when the EEO Director wishes assistance on special projects, such as preparation of recommendations for inclusion in the annual affirmative action plan.

COMPLAINT PROCESSING

During FY 1974 and the first half of FY 1975, seven formal complaints of alleged discrimination were filed against GAO. A brief report on each is provided below:

--Discrimination because of race; Issue: systematic discrimination in hiring and promotion; GAO rejected complaint because it lacked specificity; complainant did not submit revised complaint.

--Discrimination because of race and national origin; Issue: promotion; complainant and GAO secured informal resolution.

--Discrimination because of race and sex; Issue: promotion and career opportunities; GAO and complainant secured informal resolution which included immediate promotion.

--Discrimination because of race and sex; Issue: denial of promotion and career opportunities; Civil Service Commission hearing held, no discrimination found; case pending in U.S. District Court.

--Discrimination because of sex; Issue: promotion and new career opportunity; GAO investigation in process.

--Discrimination because of sex; Issue: promotion; GAO investigation in process.

--Discrimination because of national origin; Issue: promotion and career opportunity; GAO investigation in process.

ALLOCATION OF RESOURCES

I. EEO personnel resources for FY 1975

HEADQUARTERS	Full-time	Part-time
Director, EEO		1
Deputy Director, EEO[1]	1	
Monitor, EEO	1	
Coordinator, Federal Women's Program	1	
Officers, EEO		22
Counselors, EEO		13
Complaint investigators		8
Advisory Council, EEO		18
Advisory Committee, Women's		16
Administrative	1	1
Subtotal	4	79

1 Serves as National Coordinator, Spanish-Speaking Program.

FIELD	Full-time	Part-time
Officers, EEO		15
Coordinators, Spanish Speaking Program		9
Liaison, Women's Advisory Committee		15
Counselors, EEO		22
		61
Total number of EEO program personnel	4	140

II. Estimated EEO expenditures

Program Activity	FY 1974	FY 1975	FY 1976
Program Administration	$230,000	$263,000	$307,000
EEO related training	55,000	281,000	600,000
EEO Counseling	9,000	13,500	15,000
Complaint processing	22,000	32,500	34,000
Total EEO	316,000	590,000	956,000
Total Upward Mobility*	33,000	268,000	345,000
Grand Total	$349,000	$858,000	$1,301,000

*Does not include salaries of program participants while on-the-job training. The estimate for FY 1976 for on-the-job training is $285,000.

GENERAL ACCOUNTING OFFICE

Analysis of GS Employees by Grade and Minority Status
as of July 1, 1972 and December 31, 1974

Appendix A-1

	Total All Employees		Black		Spanish Surnamed		American Indian		Oriental		Total Minority		Total Non-Minority	
	1972	1974	1972	1974	1972	1974	1972	1974	1972	1974	1972	1974	1972	1974
All GS	4764	5189	627	823	34	56	5	4	22	40	688	923	4076	4266
% of total			13.16	15.9	.71	1.1	.10	.08	.46	.8	14.44	17.8	85.56	82.2
GS-1	5	6	2	5	--	--	--	--	--	--	2	5	3	1
2	30	44	19	32	2	3	--	--	--	--	21	35	9	9
3	152	114	69	66	1	2	--	--	--	--	70	68	82	46
4	381	276	245	144	1	1	--	--	2	2	248	147	133	129
Total 1-4	568	440	335	247	4	6	--	--	2	2	341	255	227	185
% of total			59.0	56.0	.7	1.4	--	--	.35	.5	60.0	58.0	40.0	42.0
GS-5	240	332	116	183	--	3	--	--	2	5	118	191	122	141
6	166	231	67	114	1	1	--	--	2	1	70	116	96	115
7	300	437	28	89	4	11	--	--	2	11	34	111	266	326
8	71	67	5	15	--	--	--	--	--	--	5	15	66	52
Total 5-8	777	1067	216	401	5	15	--	--	6	17	227	433	550	634
% of total			27.8	37.6	.64	1.4	--	--	.77	1.6	29.2	40.6	70.8	59.4
GS- 9	750	558	38	94	6	10	1	1	2	4	47	109	703	449
10	16	11	--	--	--	--	--	--	--	--	--	--	16	11
11	674	686	24	33	4	6	1	--	6	6	35	45	639	641
Total 9-11	1440	1255	62	127	10	16	2	1	8	10	82	154	1358	1101
% of total			4.3	10.0	.7	1.3	.14	.08	.56	.8	5.7	12.3	94.3	87.7
GS-12	606	835	11	25	6	9	1	2	3	5	21	41	585	794
13	666	702	2	15	7	8	1	--	1	3	11	26	655	676
Total 12-13	1272	1537	13	40	13	17	2	2	4	8	32	67	1240	1470
% of total			1.0	2.6	1.0	1.1	.16	.13	.32	.5	2.5	4.4	97.5	95.6
GS-14	464	528	--	4	1	1	1	1	--	1	2	7	462	521
15	170	280	--	4	--	--	--	--	2	1	2	5	168	275
Total 14-15	634	808	--	8	1	1	1	1	2	2	4	12	630	796
% of total			--	1.0	.16	.12	.16	.12	.32	.24	.63	1.5	98.7	98.5
Total 16-18	73	82	1	--	1	1	--	--	--	1	2	2	71	80
% of total			1.4	--	1.4	1.2	--	--	--	1.2	2.8	2.4	97.2	97.6

GENERAL ACCOUNTING OFFICE

Appendix A-2

Analysis of GS Women Employees by Grade and Minority Status
as of July 1, 1972 and December 31, 1974

	Total All Employees		Minority Women		White Women		All Women		All Men	
	1972	1974	1972	1975	1972	1974	1972	1974	1974	1974
All GS	4764	5189	490	616	772	839	1262	1455	3502	3734
% of total			10.3	11.9	16.2	16.2	26.5	28.0	73.5	72.0
GS-1	5	6	--	5	1	1	1	6	4	--
2	30	44	14	32	7	6	21	38	9	6
3	152	114	58	55	64	39	122	94	30	20
4	381	276	202	114	101	97	303	211	78	65
Total 1-4	568	440	274	206	173	143	447	349	121	91
% of total			48.2	46.8	30.5	32.5	78.7	79.3	21.3	20.7
GS-5	240	332	101	171	116	122	217	293	23	39
6	166	231	64	106	86	111	150	217	16	14
7	300	437	18	66	94	147	112	213	188	224
8	71	67	3	10	29	33	32	43	39	24
Total 5-8	777	1067	186	353	325	413	511	766	266	301
% of total			24.0	33.1	42.0	38.7	66.0	71.8	34.0	28.2
GS- 9	750	558	15	32	130	96	145	128	605	430
10	16	11	--	--	6	7	6	7	10	4
11	674	686	11	11	78	72	89	83	585	603
Total 9-11	1440	1255	26	43	214	175	240	218	1200	1037
% of total			1.8	3.4	14.8	14.0	16.6	17.4	83.4	82.6
GS-12	606	835	4	9	36	70	40	79	566	756
13	666	702	--	5	19	27	19	32	647	670
Total 12-13	1272	1537	4	14	55	97	59	111	1213	1426
% of total			.3	.9	4.3	6.3	4.6	7.2	95.4	92.8
GS-14	464	528	--	--	5	9	5	9	459	519
15	170	280	--	--	--	1	--	1	170	279
Total 14-15	634	808	--	--	5	10	5	10	629	798
% of total			--	--	.8	1.2	.8	1.2	99.2	98.8
Total 16-18	73	82	--	--	--	1	--	1	73	81
% of total			--	--	--	1.2	--	1.2	100.0	98.8

LOCATION OF ADDITIONAL STAFF REQUIRED

Senator HOLLINGS. On the rental of office space, where are you going to locate the additional 166 staff-years you estimate in Washington?

Mr. STAATS. We are going to put them in the GAO Building. You mean for the Washington part of it?

Senator HOLLINGS. Yes.

Mr. STAATS. We will put them in the GAO Building.

Senator HOLLINGS. Will you have room there?

Mr. STAATS. Yes; under recent legislation Congress specified that we would have first call on the space in that building. Other agencies are in that building, as you know. But we need to bring our people together in that building.

GAO BUILDING ALTERATIONS

Senator HOLLINGS. How about the alterations for that building? Two years ago we appropriated $850,000. We gave you $600,000 last year and I think for next year you are requesting $800,000. So it makes a total of about $2,250,000. Are these alterations being worked out as scheduled?

Mr. PIN. We gave you a plan about 1½ years ago, sir. I think we are proceeding right on schedule.

Senator HOLLINGS. What percent is being completed?

Mr. PIN. We expect to be completed around the fall of next year. We will complete all of the space that will be given to us by GSA, the equivalent of about three and a half full floors.

Mr. STAATS. I would like to say a word in respect to the investment that is being made here. This is really the first investment made internally in that building since the building was completed in 1951. It was designed initially for more or less a production line voucher audit operation and as we moved away from that, we have to provide office space in those big internal areas of the building.

This is essentially what we are investing in now.

STUDENT LOAN PROGRAM

Senator HOLLINGS. I have been given a question relative to the student loan program. The defaults are in the vicinity of about $277 million this year. Does GAO have a responsibility with respect to these claims under the Federal Claims and Collections Act?

Mr. KELLER. We work on that in two ways, Mr. Chairman. One, we have been working with the Department trying to get them to do a better job on the collection, and two, trying to get the Department to do a better job on making loans so as to prevent defaults.

I think this year the Department was given some additional positions to try to improve their collections.

Senator HOLLINGS. HEW?

Mr. KELLER. HEW, yes, sir.

Senator HOLLINGS. What do you do with these collections?

Mr. KELLER. We will get into them when they reach a point where the Department gives up and they say they are uncollectible, and they send them over to GAO.

Senator HOLLINGS. They have not reached that point yet?

Mr. KELLER. We may have some, not many.

CLAIMS

Senator HOLLINGS. Can you furnish for the committee record just what claims you are handling at the GAO level so we will get an idea and feel for this?

Mr. STAATS. We can do that and expand on that and show what the status of the HEW's own internal auditing of those claims are.

[The information follows:]

During fiscal years 1972 and 1973 GAO issued three reports on student assistance--two to the Congress and one to the Secretary, HEW. These reports discussed the following problems.

The Claims and Collection staff of OE was inadequately staffed. Collection action was being taken against student borrowers but not against cosigners, such as parents or spouses. Cosigners on promissory notes usually did not sign installment notes. Then if defaults occurred and if the promissory note had been surrendered to the borrower (which frequently happened) there appeared to be no right of the Federal Government to proceed against the cosigners of the promissory note. Form collection letters used by OE were not sufficiently forceful to impress the debtors of their legal obligation to repay. OE was not obtaining financial statements from debtors for evaluation of any proposed plan of payment and for use in subsequent collection efforts. OE had not attempted to determine the ultimate disposition of bankruptcy cases. Such information would have assisted OE in determining whether additional collection action should be taken.

Collection action was not being taken against cosigners who were not joint participants in bankruptcy proceedings and who were, therefore, not released from liability.

There was not a uniform policy setting forth the conditions under which participating schools will make tuition refunds--in cases of death, dropout, etc--and to whom refunds should be made.

Many loan defaults occurred because student borrowers left school and did not notify their lenders and arrange for repayment of loans and neither lenders, OE, or State guaranty

agencies had adequate procedures for obtaining such information and taking timely action to collect the loans. Lenders did have records to show when students were expected to graduate but did not have procedures for identifying dropouts. Students were often out of school for a year or more before lenders learned they had defaulted on loans. Also, there were delays in initiating collection action, thus decreasing the possibility that delinquent loans would be recovered. These delays also extended the time during which lenders billed the Federal Government for interest subsidies and special allowances of loans, resulting in additional program costs. Some lenders did not take timely collection action even after being notified of student borrowers who had dropped out of school.

Students were required to show a need for the aid, but in evaluating this need, the agency did not consider whether the students had also obtained or requested loans from lending institutions under the Guaranteed Student Loan program. Consequently, an estimated 900, or 14 percent, of the 6,500 students enrolled at the seven institutions we visited had received at least $761,000 in excess of their indicated financial needs.

Some students borrowed under two loan programs and incurred large debts that could be difficult to repay.

STUDENT LOAN DEFAULTS

Senator SCHWEIKER. This is on student loan defaults?

Senator HOLLINGS. Yes

Senator SCHWEIKER. We are in bad shape here.

Senator HOLLINGS. $277 million.

Senator SCHWEIKER. Yes, sir. I heard you say, it isn't bad yet or didn't I understand what you are saying?

Mr. KELLER. Let me go back a bit. It is the responsibility of the agency to try to effect collections on these loans. When they reach a point where they say these are uncollectible, they will send them to the GAO and we will do what we can to collect them.

We have received some, but they do not have the total $277 million at this point. Tom?

Mr. SULLIVAN. As of April 18, 1975, 272 defaulted student loan cases have been referred to GAO from HEW in the amount of $285,409.02.

RESPONSIBILITY OF GAO

Senator SCHWEIKER. I just conducted hearings next door here on this very issue. I am not saying GAO is the cause at this point, the question is what responsibility do you have?

Mr. STAATS. It was our people that developed the story with respect to the fact that there was a problem. We have done two different studies on this and it came out of our office, the information which highlighted this problem.

Mr. SULLIVAN. I think, if I could add to that, we have really two responsibilities under the Federal Claims Act.

SENATOR BEALL'S BILL

Senator SCHWEIKER. I sponsored a bill, I guess Senator Beall's bill, to change the law in this respect, I gather which the Administration requested.

Do you know offhand; is that administrative bill in accordance with your recommendations, or should we go beyond that, or what? Are you aware of that?

Mr. KELLER. Offhand, I am not familiar with it.

Senator SCHWEIKER. May I make this suggestion? I think it would be helpful if you would look over this bill, Senator Beall's bill, I happen to be a cosponsor of it. If you feel that is doing the job and if not, send us a letter as to what else we really ought to be including in that bill.

Mr. STAATS. We would be very glad to.

Senator SCHWEIKER. In view of your initial survey, you ought to be in good shape to advise us whether that is doing the job or not.

Maybe there is also some language that you might recommend that would cover this matter of how it can be given a more effective role or whatever it is needs to get done.

PERCENT OF STUDENT LOAN DEFAULTS

As I recall, it is 20 percent in default, something like that.

Mr. KELLER. Very high.

Senator SCHWEIKER. It is twice for every other program we have going in the same area. It is tremendous. They make a point and probably somewhat validly that while they are loaning to a different clientele than a lot of the State agencies do, a lot more lower income people, a lot more people who have difficult needs and they get the cases that the States don't want.

So they make the point that they have a higher risk group that they are loaning to than they are loaning Statewide. I don't know if that is a valid point or not. Twenty percent is awful high. I talked to Senator Beall.

He is going to move this bill out. It would be very helpful if we could get something fairly soon. If he wants some new authority or jurisdiction in doing anything, it ought to be done. Let's hear from you.

That is all.

DETAILED COSTS

Senator HOLLINGS. Chairman McClellan notes that the GAO budget justification was framed in terms of staff-years assigned to it, but doesn't include the detailed costs.

You did include last year a little column, "Net salaries," but that is excluded this year. The chairman, therefore, requests that the GAO complete its detailed budget justification by supplying the committee with the precise dollar estimates for each of the major functions and subfunctions——

Mr. STAATS. The House Committee brought up the same point. We agreed to supply that information. We will do that. We will give you a copy of it, or whatever is necessary.

Senator HOLLINGS. The staff will work with your staff to make sure it is complete and it will be inserted into the record at this point.

[The information follows:]

U. S. GENERAL ACCOUNTING OFFICE

OFFICE OF COMPTROLLER GENERAL

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	14	$362,500	$28,200	$390,700	14	$367,500	$29,600	$397,100	-	+$5,000	+$1,400	+$6,400
Travel				53,000				53,000				-
Total Costs				$443,700				$450,100				+$6,400

SPECIAL STAFF SERVICES

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	20	$402,100	$ 35,200	$437,300	20	$411,800	$ 37,100	$448,900	--	+$ 9,700	+$ 1,900	$ 11,600
Travel				1,000				1,000				--
Total Costs				$438,300				$449,900				$ 11,600

SPECIAL STAFF SERVICES
OFFICE OF CONGRESSIONAL RELATIONS

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	14	$282,100	$24,700	$306,800	14	$289,000	$26,000	$315,000	-	+$6,900	+$1,300	+$8,200
Travel				700				700				-
Total Costs				$307,500				$315,700				+$8,200

SPECIAL STAFF SERVICES
PUBLIC INFORMATION OFFICE

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	6	$120,000	$ 10,500	$130,500	6	$122,800	$ 11,100	$133,900	--	+$ 2,800	+$ 600	+$ 3,400
Travel				300				300				--
Total Costs				$130,800				$134,200				+$ 3,400

OFFICE OF THE GENERAL COUNSEL

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	232	$4,275,500	$382,600	$4,658,100	237	$4,612,100	$413,100	$5,025,200	+5	+$336,600	+$30,500	+$367,100
Travel				17,000				22,700				+5,700
Total Costs				$4,675,100				$5,047,900				+$372,800

ASSISTANT COMPTROLLER GENERAL FOR POLICY,
PROGRAM PLANNING AND INTERNAL REVIEW

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	37	$836,900	$73,100	$910,000	40	$954,200	$83,700	$1,037,900	+3	+$117,300	+$10,600	+$127,900
Field	1	18,300	1,600	19,900	1	18,900	1,800	20,700	-	+ 600	+ 200	+ 800
Total	38	$855,200	$74,700	$929,900	41	$973,100	$85,500	$1,058,600	+3	+$117,900	+$10,800	+$128,700
FUNCTIONS												
Assistant Comptroller General	2	$ 56,200	$ 4,600	$ 60,800	2	$ 56,700	$ 4,700	$ 61,400	-	+$ 500	+$ 100	+$ 600
Office of Policy	11	292,000	24,900	316,900	11	317,800	27,100	344,900	-	+ 25,800	+ 2,200	+ 28,000
Office of Program planning	9	193,300	17,300	210,600	12	259,400	23,200	282,600	+3	+ 66,100	+ 5,900	+ 72,000
Office of International Review	16	313,700	27,900	341,600	16	339,200	30,500	369,700	-	+ 25,500	+ 2,600	+ 28,100
Total Personnel Cost	38	$855,200	$74,700	$929,900	41	$973,100	$85,500	$1,058,600	+3	+$117,900	+$10,800	+$128,700
Travel				8,000				16,500				+ 8,500
Total Costs				$937,900				$1,075,100				+$137,200

ASSISTANT COMPTROLLER GENERAL FOR SPECIAL PROGRAMS

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	92	$1,844,200	$154,300	$1,998,500	129	$2,576,700	$220,700	$2,797,400	+37	+$732,500	+$66,400	+$798,900
Field	35	639,000	57,100	696,100	34	642,600	58,400	701,000	- 1	+ 3,600	+ 1,300	+ 4,900
Totals	127	$2,483,200	$211,400	$2,694,600	163	$3,219,300	$279,100	$3,498,400	+36	+$736,100	+$67,700	+$803,800
Functions:												
Immediate Office of Assistant Comptroller General	9	$ 206,400	$ 17,700	$ 224,100	10	$ 234,800	$ 20,400	$ 255,200	+ 1	+$ 28,400	+$ 2,700	+$ 31,100
Office of Program and Budget Analysis	21	415,000	34,100	449,100	58	1,128,900	97,700	1,226,600	+37	+ 713,900	+ 63,600	+ 777,500
Office of Special Programs	72	1,395,700	117,400	1,513,100	95	1,855,600	161,000	2,016,600	+23	+ 459,900	+ 43,600	+ 503,500
Office of Federal Elections	25	466,100	42,200	508,300	-	-	-	-	-25	- 466,100	- 42,200	- 508,300
Total Personnel Costs	127	$2,483,200	$211,400	2,694,600	163	$3,219,300	$279,100	3,498,400	+36	+$736,100	+$67,700	+ 803,800
Travel				57,000				107,000				+ 50,000
Total Costs				$2,751,600				$3,605,400				$853,800

IMMEDIATE OFFICE OF ASSISTANT COMPTROLLER GENERAL FOR SPECIAL PROGRAMS

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	9	$206,400	$17,700	$224,100	10	$234,800	$20,400	$255,200	+ 1	+$28,400	+$2,700	+$31,100
Travel				2,000				4,000				2,000
Total Costs				$226,100				$259,200				+$33,100

OFFICE OF PROGRAM AND BUDGET ANALYSIS

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	21	$415,000	$34,100	$449,100	58	$1,128,900	$97,700	$1,226,600	+37	$+713,900	+$63,600	+$777,500
Professional Staff by Areas of Responsibility												
A. Economic Analysis Staff	5	106,094	8,646	114,740	16	332,591	28,724	361,315	+11	+226,497	+ 20,078	+ 246,575
B. Budget Issue Analysis Staff	11	233,406	19,020	252,426	30	623,609	53,858	677,467	+19	+390,203	+ 34,838	+ 425,041
C. Office of Director	1	36,000	2,934	38,934	2	72,000	6,218	78,218	+ 1	+ 36,000	+ 3,284	+ 39,284
Subtotal	17	375,500	30,600	406,100	48	1,028,200	88,800	1,117,000	+31	+652,700	+ 58,200	+ 710,900
Other Staff	4	39,500	3,500	43,000	10	100,700	8,900	109,600	+ 6	+ 61,200	+ 5,400	+ 66,600
Total Personnel Costs	21	$415,000	$34,100	449,100	58	$1,128,900	$97,700	1,226,600	+37	+$713,900	+$63,600	+ 777,500
Travel				18,000				43,000				25,000
Total Costs				467,100				$1,269,600				$802,500

OFFICE OF SPECIAL PROGRAMS

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	48	$ 957,500	$ 78,200	$1,035,700	61	$1,213,000	$102,600	$1,315,600	+13	+$255,500	+$24,400	+$279,900
Field	24	438,200	39,200	477,400	34	642,600	58,400	701,000	+10	+ 204,400	+ 19,200	+ 223,600
Totals	72	$1,395,700	$117,400	$1,513,100	95	$1,855,600	$161,000	$2,016,600	+23	+$459,900	+$43,600	+$503,500
Professional staff by Areas of Responsibility												
A. Energy Staff	50	1,014,750	85,076	1,099,826	60	1,233,675	106,749	1,340,424	+10	+ 218,925	+ 21,673	+ 240,598
B. Food/Materials Staff	3	60,885	5,104	65,989	11	226,174	19,570	245,744	+ 8	+ 165,289	+ 14,466	+ 179,755
C. Regulatory Rept. Review Staff	7	142,065	11,910	153,975	9	185,051	16,012	201,063	+ 2	+ 42,986	+ 4,102	+ 47,088
D. Office of Director	4	101,500	8,510	110,010	4	102,500	8,869	111,369	-	+ 1,000	+ 359	+ 1,359
Subtotal	64	1,319,200	110,600	1,429,800	84	1,747,400	151,200	1,898,600	+20	+ 428,200	+ 40,600	+ 468,800
Other Staff	8	76,500	6,800	83,300	11	108,200	9,800	118,000	+ 3	+ 31,700	+ 3,000	+ 34,700
Total Personnel Costs	72	$1,395,700	$117,400	1,513,100	95	$1,855,600	$161,000	2,016,600	+23	+$459,900	+$43,600	+ 503,500
Travel				31,000				60,000				+ 29,000
Total Costs				$1,544,100				$2,076,600				+$532,500

OFFICE OF FEDERAL ELECTIONS

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	14	$265,300	$24,300	$289,600	-	-	-	-	-14	-$265,300	-$24,300	-$289,600
Field	11	200,800	17,900	218,700	-	-	-	-	-11	- 200,800	- 17,900	- 218,700
Totals	25	$466,100	$42,200	$508,300	-	-	-	-	-25	-$466,100	-$42,200	-$508,300
Professional staff by Areas of Responsibility												
A. Rept. Process. & Control	1	21,611	1,947	23,558	-	-	-	-	- 1	- 21,611	- 1,947	- 23,558
B. Rept. Anal. & Invest.	15	324,156	29,212	353,368	-	-	-	-	-15	- 324,156	- 29,212	- 353,368
C. Repts. by CG-ADP plann.	1	21,611	1,947	23,558	-	-	-	-	- 1	- 21,611	- 1,947	- 23,558
D. Clearinghouse on Elect. Adm.	1	21,611	1,947	23,558	-	-	-	-	- 1	- 21,611	- 1,947	- 23,558
E. Director's Office	1	21,611	1,947	23,558	-	-	-	-	- 1	- 21,611	- 1,947	- 23,558
Subtotal	19	410,600	37,000	447,600	-	-	-	-	-19	- 410,600	- 37,000	- 447,600
Other Staff	6	55,500	5,200	60,700	-	-	-	-	- 6	- 55,500	- 5,200	- 60,700
Total Personnel Costs	25	$466,100	$42,200	508,300	-	-	-	-	-25	-$466,100	-$42,200	- 508,300
Travel				6,000				-				- 6,000
Total Costs				$514,300				-				-$514,300

GENERAL GOVERNMENT DIVISION

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	218	$4,378,400	$384,700	$4,763,100	230	$4,760,600	$423,600	$5,184,200	+12	+$382,200	+$38,900	+$421,100
Field	213	3,889,100	347,400	4,236,500	223	4,215,000	383,000	4,598,000	+10	+ 325,900	+ 35,600	+ 361,500
Overseas	1	20,500	4,500	25,000	1	21,800	4,800	26,600	-	+ 1,300	+ 300	+ 1,600
Totals	432	$8,288,000	$736,600	$9,024,600	454	$8,997,400	$811,400	$9,808,800	+22	+$709,400	+$74,800	+$784,200
Professional staff by Areas of Responsibility												
A. Dept. of Justice	81	1,634,175	145,259	1,779,434	85	1,779,039	160,453	1,939,492	4	144,864	15,194	160,058
B. Judicial branch	4	80,700	7,173	87,873	4	83,719	7,551	91,270	-	3,019	378	3,397
C. D.C. Government	31	625,425	55,593	681,018	31	648,826	58,518	707,344	-	23,401	2,925	26,326
D. Legislative branch	10	201,750	17,933	219,683	10	209,299	18,877	228,176	-	7,549	944	8,493
E. Treasury-tax	42	847,350	75,319	922,669	42	879,055	79,283	958,338	-	31,705	3,964	35,669
F. Treasury-except tax	20	403,500	35,866	439,366	19	397,668	35,866	433,534	-1	-5,832	-	-5,832
G. Regulatory agencies	15	302,625	26,900	329,525	18	376,738	33,978	410,716	3	74,113	7,078	81,191
H. Executive Off. of Pres.	2	40,350	3,587	43,937	4	83,719	7,551	91,270	2	43,369	3,964	47,333
I. Dept. of Commerce	19	383,325	34,072	417,397	20	418,597	37,754	456,351	1	35,272	3,682	38,954
J. Small Business Admin.	23	464,025	41,246	505,271	27	565,106	50,967	616,073	4	101,081	9,721	110,802
K. U.S. Postal Service	49	988,575	87,872	1,076,447	50	1,046,494	94,384	1,140,878	1	57,919	6,512	64,431
L. Intergovern. Relations	23	464,025	41,246	505,271	25	523,247	47,192	570,439	2	59,222	5,946	65,168
M. Revenue Sharing	33	665,775	59,179	724,954	31	648,826	58,518	707,344	-2	-16,949	-661	-17,610
N. Fed. Statistical Systems	16	322,800	28,693	351,493	19	397,667	35,865	433,532	3	74,867	7,172	82,039
O. Audit program direction	12	365,200	32,462	397,662	12	369,700	33,343	403,043	-	4,500	881	5,381
Subtotal	380	7,789,600	692,400	8,482,000	397	8,427,700	760,100	9,187,800	+17	638,100	+ 67,700	+ 705,800
Other Staff	52	498,400	44,200	542,600	57	569,700	51,300	621,000	+ 5	+ 71,300	+ 7,100	+ 78,400
Total Personnel Costs	432	$8,288,000	$736,600	9,024,600	454	$8,997,400	$811,400	9,808,800	+22	+$709,400	+$74,800	+ 784,200
Travel				159,000				184,000				+ 25,000
Total Costs				$9,183,600				$9,992,800				+$809,200

FEDERAL PERSONNEL AND COMPENSATION DIVISION

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	101	$2,049,500	$180,800	$2,230,300	112	$2,232,800	$199,800	$2,432,600	+11	+$183,300	+$19,000	+$202,300
Field	142	2,592,800	231,600	2,824,400	146	2,759,600	250,800	3,010,400	+ 4	+ 166,800	+ 19,200	+ 186,000
Overseas	10	205,700	45,700	251,400	10	218,700	48,300	267,000	-	+ 13,000	+ 2,600	+ 15,600
Totals	253	$4,848,000	$458,100	$5,306,100	268	$5,211,100	$498,900	$5,710,000	+15	+$363,100	+$40,800	+$403,900
Professional Staff by Areas of Responsibility												
A. Requirements	45	892,450	84,630	977,080	49	993,210	95,468	1,088,678	4	100,760	10,838	111,598
B. Dev. & Util.	57	1,130,436	107,198	1,237,634	71	1,439,142	138,331	1,577,473	14	308,706	31,133	339,839
C. Compensation	39	773,456	73,346	846,802	36	729,706	70,140	799,846	(3)	(43,750)	(3,206)	(46,956)
D. Employee relations	72	1,427,919	135,409	1,563,328	67	1,358,063	130,537	1,488,600	(5)	(69,856)	(4,872)	(74,728)
E. Congressional affairs	4	79,329	7,522	86,851	4	81,079	7,794	88,873	-	1,750	272	2,022
F. Audit program direction	8	267,810	25,395	293,205	8	270,800	26,030	296,830	-	2,990	635	3,625
Subtotal	225	4,571,400	433,500	5,004,900	235	4,872,000	468,300	5,340,300	+10	+ 300,600	+ 34,800	+ 335,400
Other Staff	28	276,600	24,600	301,200	33	339,100	30,600	369,700	+ 5	+ 62,500	+ 6,000	+ 68,500
Total Personnel Costs	253	$4,848,000	$458,100	5,306,100	268	$5,211,100	$498,900	5,710,000	+15	+$363,100	+$40,800	+ 403,900
Travel				70,000				67,000				-3,000
Total Costs				$5,376,100				$5,777,000				+$400,900

FINANCIAL AND GENERAL MANAGEMENT STUDIES DIVISION

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	254	$5,856,400	$496,800	$6,353,200	288	$6,788,400	$581,100	$ 7,369,500	+34	+$ 932,000	+$ 84,300	+$1,016,300
Field	157	2,866,600	256,000	3,122,600	161	3,043,100	276,500	3,319,600	+ 4	+ 176,500	+ 20,500	+ 197,000
Overseas	3	61,700	13,700	75,400	2	43,700	9,600	53,300	- 1	- 18,000	- 4,100	- 22,100
Totals	414	$8,784,700	$766,500	$9,551,200	451	$9,875,200	$867,200	$10,742,400	+37	+$1,090,500	+$100,700	+$1,191,200
Professional Staff by Areas of Responsibility												
A. Financial management	66	1,479,995	131,375	1,611,370	69	1,596,022	142,290	1,738,312	3	116,027	10,915	126,942
B. Systems in operation	74	1,659,388	147,299	1,806,687	78	1,804,198	160,850	1,965,048	4	144,810	13,551	158,361
C. Automatic data process.	37	829,694	73,650	903,344	40	925,230	82,487	1,007,717	3	95,536	8,837	104,373
D. Technical assistance	79	1,771,509	157,252	1,928,761	82	1,896,721	169,099	2,065,820	3	125,212	11,847	137,059
E. Congressional Info. Serv.	66	1,479,994	131,375	1,611,369	90	2,081,767	185,596	2,267,363	24	601,773	54,221	655,994
F. Audit standards	32	717,573	63,697	781,270	28	647,662	57,741	705,403	(4)	(69,911)	(5,956)	(75,867)
G. Office of director	8	232,647	20,652	253,299	9	258,400	23,037	281,437	1	25,753	2,385	28,138
H. Consultants	4	145,000	--	145,000	4	- 145,000	--	145,000	--	--	--	--
Subtotal	366	8,315,800	725,300	9,041,100	400	9,355,000	821,100	10,176,100	+34	+ 1,039,200	+ 95,800	+ 1,135,000
Other Staff	48	468,900	41,200	510,100	51	520,200	46,100	566,300	+ 3	+ 51,300	+ 4,900	+ 56,200
Total Personnel Costs	414	$8,784,700	$766,500	9,551,200	451	$9,875,200	$867,200	10,742,400	37	+$1,090,500	+$100,700	+ 1,191,200
Travel				144,000				225,300				+ 81,300
Total Costs				$9,695,200				$10,967,700				+$1,272,500

JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	10	$220,400	$18,500	$238,900	10	$241,200	$20,400	$261,600	--	+$20,800	+$1,900	+$22,700
Travel				12,000				16,000				+ 4,000
Total Costs				$250,900				$277,600				+$26,700

INTERNATIONAL DIVISION

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	164	$3,305,300	$294,200	$3,599,500	167	$3,621,000	$326,100	$3,947,100	+ 3	+$315,700	+$31,900	+$347,600
Field	23	420,000	37,500	457,500	34	642,600	58,400	701,000	+11	+ 222,600	+ 20,900	+ 243,500
Overseas	44	904,900	200,800	1,105,700	45	984,000	217,300	1,201,300	+ 1	+ 79,100	+ 16,500	+ 95,600
Totals	231	$4,630,200	$532,500	$5,162,700	246	$5,247,600	$601,800	$5,849,400	+15	+$617,400	+$69,300	+$686,700
Professional staff by Areas of Responsibility												
A. Development assist.	63	$1,318,600	$151,592	$1,470,192	66	$1,504,396	$173,063	$1,677,459	+ 3	+$185,796	+$21,471	+$207,267
B. Trade and finance	63	1,318,600	151,592	1,470,192	62	1,413,220	162,574	1,575,794	- 1	+ 94,620	+ 10,982	+ 105,602
C. Security & internat'l. rel.	63	1,318,600	151,592	1,470,192	68	1,549,984	178,308	1,728,292	+ 5	+ 231,384	+ 26,716	+ 258,100
D. Audit program direction	12	357,700	41,124	398,824	12	362,100	41,655	403,755	-	+ 4,400	+ 531	+ 4,931
Subtotal	201	4,313,500	495,900	4,809,400	208	4,829,700	555,600	5,385,300	+ 7	+ 516,200	+ 59,700	+ 575,900
Other Staff	30	316,700	36,600	353,300	38	417,900	46,200	464,100	+ 8	+ 101,200	+ 9,600	+ 110,800
Total Personnel Costs	231	$4,630,200	$532,500	5,162,700	246	$5,247,600	$601,800	5,849,400	+15	+$617,400	+$69,300	+ 686,700
Travel				952,600				1,122,000				+ 169,400
Total Costs				$6,115,300				$6,971,400				+$856,100

LOGISTICS AND COMMUNICATIONS DIVISION

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	173	$3,766,200	$326,900	$ 4,093,100	177	$3,989,800	$ 349,400	$ 4,339,200	+4	+$223,600	+$22,500	+$246,100
Field	254	4,637,700	414,200	5,051,900	253	4,782,000	434,500	5,216,500	-1	+ 144,300	+ 20,300	+ 164,600
Overseas	44	904,900	200,800	1,105,700	45	984,000	217,300	1,201,300	+1	+ 79,100	+ 16,500	+ 95,600
Totals	471	$9,308,800	$941,900	$10,250,700	475	$9,755,800	$1,001,200	$10,757,000	+4	+$447,000	+$59,300	+$506,300
Professional staff by Areas of Responsibility												
A. Comm. & data mgt.	77	1,623,674	164,099	1,787,773	79	1,730,640	177,472	1,908,112	2	106,966	13,373	120,339
B. Distrib. mgt.	98	2,066,493	208,853	2,275,346	98	2,146,871	220,156	2,367,027	-	80,378	11,303	91,681
C. Facilities Acquis. & mgt.	92	1,939,973	196,066	2,136,039	92	2,015,430	206,677	2,222,107	-	75,457	10,611	86,068
D. Materiel mgt.	138	2,909,960	294,098	3,204,058	140	3,066,959	314,508	3,381,467	2	156,999	20,410	177,409
E. Audit program direction	7	200,700	20,284	220,984	7	202,700	20,787	223,487	-	2,000	503	2,503
Subtotal	412	8,740,800	883,400	9,624,200	416	9,162,600	939,600	10,102,200	+4	+ 421,800	+ 56,200	+ 478,000
Other Staff	59	568,000	58,500	626,500	59	593,200	61,600	654,800	-	+ 25,200	+ 3,100	+ 28,300
Total Personnel Costs	471	$9,308,800	$941,900	10,250,700	475	$9,755,800	$1,001,200	10,757,000	+4	+$447,000	+$59,300	+ $06,300
Travel				125,000				119,000				-6,000
Total Costs				$10,375,700				$10,876,000				+$500,300

MANPOWER AND WELFARE DIVISION

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	281	$ 5,337,800	$ 474,900	$ 5,812,700	305	$ 5,875,500	$ 530,100	$ 6,405,600	+24	+$ 537,700	+$ 55,200	+$ 592,900
Field	378	6,901,800	616,500	7,518,300	407	7,692,800	699,000	8,391,800	+29	+ 791,000	+ 82,500	+ 873,500
Overseas	2	41,100	9,100	50,200	3	65,600	14,500	80,100	+ 1	+ 24,500	+ 5,400	+ 29,900
Totals	661	$12,280,700	$1,100,500	$13,381,200	715	$13,633,900	$1,243,600	$14,877,500	+54	+$1,353,200	+$143,100	+$1,496,300
Professional Staff by Areas of Responsibility												
A. Health-financing & regul.	136	2,670,992	239,425	2,910,417	143	2,908,917	265,470	3,174,387	7	237,925	26,045	263,970
B. Health-research, res. & serv.	141	2,769,191	248,228	3,017,419	148	3,010,628	274,752	3,285,380	7	241,437	26,524	267,961
C. Manpower & Educ. prog.	167	3,279,821	294,000	3,573,821	175	3,559,864	324,876	3,884,740	8	280,043	30,876	310,919
D. Income security prog.	126	2,474,596	221,820	2,696,416	140	2,847,891	259,901	3,107,792	14	373,295	38,081	411,376
E. Director's Of.	9	267,500	23,978	291,478	10	283,800	25,899	309,699	1	16,300	1,921	18,221
Staff detailed to Congress	4	75,300	6,749	82,049	5	87,700	8,002	95,702	1	12,400	1,253	13,653
Subtotal	583	11,537,400	1,034,200	12,571,600	621	12,698,800	1,158,900	13,857,700	+38			
Other Staff	78	743,300	66,300	809,600	94	935,100	84,700	1,019,800	+16	+ 1,161,400	+124,700	+ 1,286,100
										191,800	18,400	210,200
Total Personnel costs	661	$12,280,700	$1,100,500	13,381,200	715	$13,633,900	$1,243,600	14,877,500	+54	+$1,353,200	+$143,100	1,496,300
Travel				200,000				225,000				+ 25,000
Total costs				$13,581,200				$15,102,500				+$1,521,300

PROCUREMENT AND SYSTEMS ACQUISITION DIVISION

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	183	$ 4,141,900	$348,600	$ 4,490,500	184	$ 4,443,200	$376,800	$ 4,820,000	+1	+$301,300	+$28,200	+$329,500
Field	341	6,226,300	556,200	6,782,500	345	6,521,000	592,500	7,113,500	+4	+ 294,700	+ 36,300	+ 331,000
Overseas	4	82,300	18,300	100,600	3	65,600	14,500	80,100	-1	- 16,700	- 3,800	- 20,500
Totals	528	$10,450,500	$923,100	$11,373,600	532	$11,029,800	$983,800	$12,013,600	+4	+$579,300	+$60,700	+$640,000
Professional staff by Areas of Responsibility												
A. Science & Technology	83	1,751,069	154,677	1,905,746	83	1,823,397	162,642	1,986,039	-	72,328	7,965	80,293
B. Major Acquisitions	190	4,008,470	354,084	4,362,554	190	4,174,042	372,316	4,546,358	-	165,572	18,232	183,804
C. General procurement	182	3,839,694	339,176	4,178,870	183	4,020,261	358,599	4,378,860	+1	180,567	19,423	199,990
D. Audit Program Direction	12	253,167	22,363	275,530	12	357,000	31,843	388,843	-	103,833	9,480	113,313
Subtotal	467	9,852,400	870,300	10,722,700	468	10,374,700	925,400	11,300,100	+1	+ 522,300	+ 55,100	+ 577,400
Other Staff	61	598,100	52,800	650,900	64	655,100	58,400	713,500	+3	+ 57,000	+ 5,600	+ 62,600
Total Personnel Costs	528	$10,450,500	$923,100	11,373,600	532	$11,029,800	$983,800	12,013,600	+4	+$579,300	+$60,700	+ 640,000
Travel				180,000				200,000				+ 20,000
Total Costs				$11,553,600				$12,213,600				+$660,000

RESOURCES AND ECONOMIC DEVELOPMENT DIVISION

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	272	$5,297,200	$467,600	$ 5,764,800	280	$ 5,702,900	$509,500	$ 6,212,400	+ 8	+$ 405,700	+$ 41,900	+$ 447,600
Field	246	4,491,700	401,200	4,892,900	275	5,197,900	472,300	5,670,200	+29	+ 706,200	+ 71,100	+ 777,300
Overseas	1	20,600	4,600	25,200	-	-	-	-	- 1	- 20,600	- 4,600	- 25,200
Totals	519	$9,809,500	$873,400	$10,682,900	555	$10,900,800	$981,800	$11,882,600	+36	+$1,091,300	+$108,400	+$1,199,700
Professional staff by Areas of Responsibility												
A. Agric. & Interior Prog.	121	2,419,206	215,960	2,635,166	128	2,670,545	240,504	2,911,049	+ 7	+ 251,339	+ 24,544	+ 275,883
B. Nuclear, Water & Envir. Prog.	140	2,799,082	249,871	3,048,953	149	3,108,683	279,963	3,388,646	+ 9	+ 309,601	+ 30,092	+ 339,693
C. Housing Programs	95	1,899,376	169,555	2,068,931	109	2,274,136	204,804	2,478,940	+14	+ 374,760	+ 35,249	+ 410,009
D. Transportation Prog.	86	1,719,436	153,492	1,872,928	87	1,815,136	163,468	1,978,604	+ 1	+ 95,700	+ 9,976	+ 105,676
E. Office of Director	16	380,000	33,922	413,922	15	354,900	31,961	386,861	- 1	- 25,100	- 1,961	- 27,061
Subtotal	458	9,217,100	822,800	10,039,900	488	10,223,400	920,700	11,144,100	+30	+ 1,006,300	+ 97,900	+ 1,104,200
Other Staff	61	592,400	50,600	643,000	67	677,400	61,100	738,500	+ 6	+ 85,000	+ 10,500	+ 95,500
Total Personnel Costs	519	$9,809,500	$873,400	10,682,900	555	$10,900,800	$981,800	11,882,600	+36	+ 1,091,300	+ 108,400	+ 1,199,700
Travel				227,000				262,000				+ 35,000
Total Costs				$10,909,900				$12,144,600				+$1,234,700

TRANSPORTATION AND CLAIMS DIVISION
FUNCTIONS TO REMAIN IN GAO

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	176	$2,496,700	$235,400	$2,732,100	166	$2,580,800	$246,600	$2,827,400	-10	+$84,100	+$11,200	+$ 95,300
Field	2	36,500	3,300	39,800	2	37,800	3,500	41,300	-	+ 1,300	+ 200	+ 1,500
Overseas	3	61,700	13,700	75,400	3	65,600	14,500	80,100	-	+ 3,900	+ 800	+ 4,700
Totals	181	$2,594,900	$252,400	$2,847,300	171	$2,684,200	$264,600	$2,948,800	-10	+$89,300	+$12,200	+$101,500
Total staff by Areas of Responsibility												
A. Agency Reviews & Assist.	27	$ 374,899	$ 36,466	$ 411,365	27	$ 411,905	$ 40,604	$ 452,509	-	+$37,006	+$ 4,138	+$ 41,144
B. Payment & Debt Settlement	143	1,985,575	193,131	2,178,706	133	2,029,016	200,014	2,229,030	-10	+ 43,441	+ 6,883	+ 50,324
C. Executive Direction	6	165,000	16,050	181,050	6	167,000	16,463	183,463	-	+ 2,000	+ 413	+ 2,413
D. Field Support	5	69,426	6,753	76,179	5	76,279	7,519	83,798	-	+ 6,853	+ 766	+ 7,619
Total Personnel Costs	181	$2,594,900	$252,400	2,847,300	171	$2,684,200	$264,600	2,948,800	-10	+$89,300	+$12,200	+ 101,500
Travel				21,500				21,000				- 500
Total Costs				$2,868,800				$2,969,800				+$101,000

FIELD OPERATIONS DIVISION

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	9	$ 164,300	$ 14,700	$ 179,000	9	$ 170,100	$ 15,500	$ 185,600	-	+$ 5,800	+$ 800	+$ 6,600
Field	196	3,578,800	319,700	3,898,500	201	3,799,200	345,200	4,144,400	+5	+ 220,400	+ 25,500	+ 245,900
Totals	205	$3,743,100	$334,400	$4,077,500	210	$3,969,300	$360,700	$ 4,330,000	+5	+$226,200	+$26,300	+$ 252,500
Professional staff by Areas of Responsibility												
A. Military Finance Ctrs.	50	972,373	86,878	1,059,251	45	909,073	82,615	991,688	-5	- 63,300	- 4,263	- 67,563
B. Corporation & similar audits	33	641,770	57,340	699,110	34	686,855	62,419	749,274	+1	+ 45,085	+ 5,079	+ 50,164
C. Surveys for dev. of audit areas	35	680,663	60,815	741,478	35	707,057	64,256	771,313	-	+ 26,394	+ 3,441	+ 29,835
D. Mgt. & admin. support of 15 regional offices	63	1,225,194	109,467	1,334,661	70	1,414,115	128,510	1,542,625	+7	+ 188,921	+ 19,043	+ 207,964
Subtotal	181	3,520,000	314,500	3,834,500	184	3,717,100	337,800	4,054,900	+3	+ 197,100	+ 23,300	+ 220,400
Other Staff	24	223,100	19,900	243,000	26	252,200	22,900	275,100	+2	+ 29,100	+ 3,000	+ 32,100
Total Personnel Costs	205	$3,743,100	$334,400	4,077,500	210	$3,969,300	$360,700	4,330,000	+5	+$226,200	+$26,300	+ 252,500
Travel				4,850,000				5,859,000				+ 1,009,000
Total Costs				$8,927,500				$10,189,000				+$1,261,500

MANAGEMENT SERVICES ORGANIZATION

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	456	$6,184,800	$770,800	$6,955,600	490	$6,755,200	$873,700	$7,628,900	+34	+$570,400	+$102,900	+$673,300
Functions:												
A. Personnel Admin.	107	$1,518,900	$140,100	$1,659,000	109	$1,600,800	$148,500	$1,749,300	+ 2	+$ 81,900	+$ 8,400	+$ 90,300
B. Financial mgt.	69	979,500	290,700	1,270,200	79	1,160,200	354,600	1,514,800	+10	+ 180,700	+ 63,900	+ 244,600
C. Admin. Support	200	2,839,100	261,800	3,100,900	203	2,981,200	276,600	3,257,800	+ 3	+ 142,100	+ 14,800	+ 156,900
D. Special pools	62	591,800	54,600	646,400	81	748,700	69,500	818,200	+19	+ 156,900	+ 14,900	+ 171,800
E. Supervision	18	255,500	23,600	279,100	18	264,300	24,500	288,800	-	+ 8,800	+ 900	+ 9,700
Total Personnel Costs	456	$6,184,400	$770,800	6,955,600	490	$6,755,200	$873,700	7,628,900	+34	+$570,400	+$102,900	+ 673,300
Travel				$11,900				$10,500				- 1,400
Total Costs				$7,467,500				$8,139,400				+$671,900

TRANSPORTATION AND CLAIMS DIVISION
FUNCTIONS TO TRANSFER TO GSA

	FY 1975				FY 1976				Change 1975 to 1976			
	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total	Staff-Years	Salary	Benefits	Total
Headquarters	438	$6,038,900	$529,200	$6.568,100	404	$6,198,700	$551,500	$6,750,200	- 34	+$159,800	+$22,300	+$182,100
Travel				11,000				11,000				-
Total Costs				$6,579,100				$6,761,200				+$182,100

APPROVAL FOR NEW OFFICES

Senator HOLLINGS. We will confer with you on the setting up of new offices. Obviously, when you get a request from a committee that causes a major shift in your work, the committee should not be apprised of that or have anything to do with it. That is the normal function of the GAO. But when you set up a new office——

Mr. STAATS. We have gone through two reorganizations since I have been there to try to make the office a stronger operation; one in 1972 and we modified it again last year. But the concern that I have—I will be more than happy to keep the committee advised in any way which would meet your interest—is that we cannot anticipate very well when a new law goes through where we get a major request to what extent we will have to reschedule our staff.

We have an internal programming system where we try to adjust what we are doing to give first priority to the congressional request.

I don't really quite see how we can operate on a formal reprogramming approval process of the type which is in effect with the Department of Defense.

CHANGE IN NAMES OF NEW OFFICE

Senator HOLLINGS. The Congress looked upon it as new; they called it, even though I can agree with you about not changing names, the Office of Program Review and Evaluation. They have called it in this new legislation a new office.

You set up a new office. You took from the Federal elections and have already got 104 in there without anybody knowing about it, and you are asking for 61 more, and you are corresponding with the chairman about taking over the entire effort of the CBO.

That is disturbing to us. We have learned some of your general accounting habits. When we changed the Federal elections, we thought we were going to save some money in GAO. We find out all of a sudden, then you have used all the savings for those requests you listed.

You can always list those requests. How many do you get a day? You know how many you can get. You can just list them. But I am talking about the institution of a new office, that has grown to 104 and wanting 61 more.

Mr. STAATS. The Congress put those added duties in the GAO.

Senator HOLLINGS. They did?

Mr. STAATS. They did. Now we have to carry them out. That is the point we are making.

[CLERK'S NOTE: The following letter was received by the subcommittee subsequent to the hearing.]

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

April 25, 1975

The Honorable Ernest F. Hollings
Chairman, Subcommittee on Legislative
Senate Committee on Appropriations

Dear Mr. Chairman:

At the hearing on GAO's appropriations last Friday, you raised the question as to the need for some arrangement whereby the Appropriations Committee could be kept advised of major reprogrammings during the course of the year within the GAO appropriation. This question arose in connection with the termination of the Office of Federal Elections in GAO following the enactment of new legislation establishing a Federal Elections Commission.

I regret very much if there was any misunderstanding with respect to our action in this case. I would certainly have discussed the matter with you except that I felt that we had had adequate discussion during the course of our 1975 appropriations hearings on the then pending legislation to create a Federal Elections Commission and also the then pending legislation to place in GAO additional responsibilities contemplated in the Congressional Budget and Impoundment Control Act. We felt we had made it quite clear that we had included no funds in our request in contemplation of the new legislation. Approximately 49 of the 110 manyears budgeted in 1975 for the Office of Federal Elections (OFE) were allocated to work under the Congressional Budget and Impoundment Control Act; 25 will be used by OFE and the remaining 36 were allocated to the other high priority audit areas.

We have only limited control over requests which are made to the GAO for assistance either through general legislation or through requests of the committees of the Congress. At the time we appeared on our 1975 appropriation request, our congressional workload represented about 25 percent of our total professional staff years. This has now increased to approximately 35 percent. Obviously, some of the staff previously allocated to monitor the Federal Elections Campaign Act have been assigned to high priority congressional work.

An additional consideration is that the GAO has a basic responsibility to initiate audits of programs where we feel savings can be made or where improvements in agency operations can be achieved. We always have a heavy backlog of work for which we do not have adequate staff at any given time. What we do is to go through a continuous process of reprogramming and reorganization of staff to meet both congressional requests and the high priority self-initiated assignments.

51-060 O - 75 - pt.2 - 12

Any requirement for formal committee approval of internal GAO reprogramming would present us with major operating problems. I am quite agreeable to an informal understanding whereby any major new legislative requirements imposed upon the GAO would be discussed with you and other members of the subcommittee before we undertake new work. What I would be most concerned about is the kind of formal reprogramming arrangement which obtains with respect to some of the executive branch agencies. While I think there will be few situations where new statutory requirements will impose major and continuing workloads on GAO not anticipated at the time of our annual appropriation review, I would hope that an informal understanding of this type might be acceptable to the committee.

Sincerely,

Elmer B. Staats

Elmer B. Staats

JUSTIFICATION

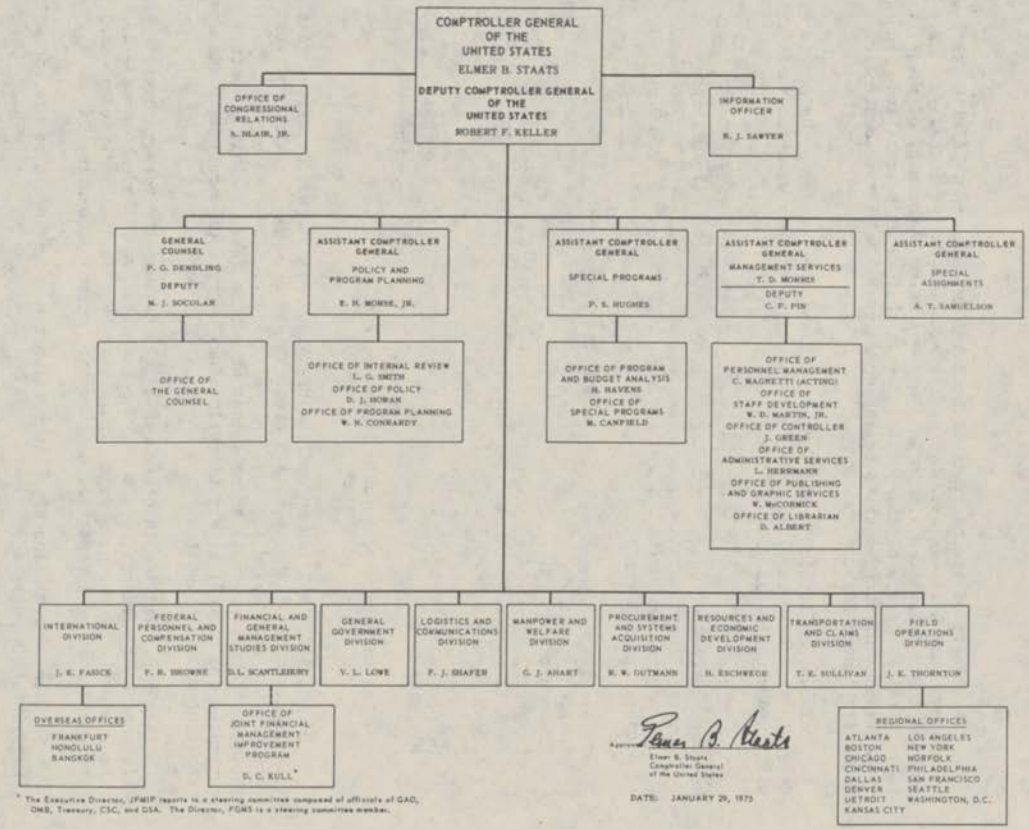
Senator HOLLINGS. Did you wish to add anything further?

Mr. STAATS. No.

Senator HOLLINGS. We will place your justification material at this point into the record.

[The justification follows:]

UNITED STATES GENERAL ACCOUNTING OFFICE



* The Executive Director, JFMIP reports to a steering committee composed of officials of GAO, OMB, Treasury, CSC, and GSA. The Director, FGMS is a steering committee member.

Approved: Elmer B. Staats
Elmer B. Staats
Comptroller General of the United States

DATE: JANUARY 29, 1975

COLLECTIONS AND OTHER BENEFITS

The effects of recommendations made by GAO in connection with its audits or reviews were actions taken by Federal agencies during fiscal year 1974 to improve their activities along the lines suggested. For many of these it was impractical to determine the dollar savings that might be realized. You will find examples of such benefits beginning on page 214 of the Comptroller General's Annual Report.

Refunds, collections, and financial savings or revenues that could be determined to have resulted from GAO audits and reviews amounted to $562.5 million during fiscal year 1974 as follows:

	(In millions)	
Refunds and collections:		
Audits of departments and agencies	$ 2.6	
Transportation audits	9.5	
General claims work	4.8	$ 16.9
Other savings:		
Interest costs	27.3	
Transportation	8.5	
Revenues	46.4	
Facilities construction	194.0	
Communications	9.4	
Logistics	4.3	
Supply management	237.8	
Miscellaneous	17.8	$545.5
Total savings attributable to the work of GAO		$562.4

Of the $17.0 million in collections $ 9.3 million was deposited in the Treasury in current appropriation accounts and $5.0 million was deposited in general fund and lapsed accounts in the Treasury. The remaining $2.6 million in collections represents offsets that have been taken against amounts currently due as well as direct collections by various departments and agencies resulting from GAO audit work.

The $545.5 million in other measurable savings includes reductions or elimination of payments, costs, or expenses that would have been made or incurred as well as revenues which would have been lost except for the adoption of recommendations or suggestions made by the General Accounting Office.

Savings of approximately $166 million are recurring in nature and will continue in future years.

The following schedules show, by department and agency, the collections and other measurable savings attributable to work of the General Accounting Office during fiscal year 1974 and collections for the period 1965 through 1974.

Collections and Other Measurable Savings
Fiscal Year 1974
(000 omitted)

	Collections	Other measurable savings	Total
DEPARTMENTS			
Army	$ 79	$216,006	$216,085
Navy	295	20,374	20,669
Air Force	1,156	6,938	8,094
Defense	834	248,206	249,040
Commerce	6	..	6
Health, Education and Welfare	85	47	132
Housing and Urban Development	73	494	567
Interior		717	717
Justice		594	594
Labor	50	..	50
State (including AID and USIA)	6	8,479	8,485
Treasury	35	42,000	42,035
AGENCIES			
Architect of the Capitol		115	115
Atomic Energy Commission		163	163
Environmental Protection Agency		43	43
Federal Communications Commission		981	981
National Aeronautics and Space Administration		37	37
Veterans Administration		35	35
District of Columbia government		257	257
Total for departments and agencies	2,619	545,486	548,105
Transportation audit	9,485	..	9,485
General claims work	4,853	..	4,853
Total	$16,957	$545,486	$562,443

COLLECTIONS BY OR THROUGH THE EFFORTS OF
THE GENERAL ACCOUNTING OFFICE, 1965-74

(000 omitted)

Fiscal year	General audit	Transportation audit	General claims	Total collections
1965.	$11,222	$9,657	$4,070	$24,949
1966.	4,568	8,494	4,129	17,191
1967.	6,828	12,964	3,627	23,419
1968.	2,037	14,681	2,939	19,657
1969.	3,374	14,167	2,819	20,360
1970.	3,409	16,315	2,627	22,351
1971.	7,135	14,848	2,879	24,862
1972.	10,516	14,165	4,613	29,294
1973.	6,742	12,842	4,068	23,652
1974.	2,619	9,485	4,853	16,957
Total	$58,450	$127,619	$36,624	$222,692

PROGRAM AND PERFORMANCE

The Program and Performance Section:

I. Summarizes our need for increased staff.

II. Discusses some significant matters affecting GAO performance.

III. Summarizes our planned application of resources in terms of GAO's Office-wide program categories.

IV. Describes our work and plans in each of the program categories.

I. NEED FOR STAFFING INCREASE

Excluding the transportation rate audit, which is scheduled to transfer to the General Services Administration, we are requesting resources to finance 5,052 staff-years in fiscal year 1976--an increase of 260 over our fiscal year 1975 estimate of 4,792. 1/

The requested increase reflects a carefully considered balancing of staffing needs, as perceived by our managers, with our ability to obtain and assimilate qualified candidates. Our request for resources is about 390 staff-years less than the total requested by our managers. Even at this reduced level, we will need to bring on board approximately 500 new professionals in fiscal year 1976 to meet the increase needed Office-wide, and to replace attrition. This level of recruitment and assimilation is reasonable and can be accomplished consistent with our quality standards and our need for a widening range of experience and academic specialities.

The 260 requested increase in staff-years--coupled with those which will be made available by the elimination of the Office of Federal Elections--will permit us to meet the required increases in assistance to the Congress and to begin implementing the new responsibilities assigned to us by the Congressional Budget and Impoundment Control Act of 1974 and other statutes discussed below.

II. IMPACT OF LEGISLATION AND OTHER CONGRESSIONAL ACTION ON GAO PROGRAMS

Legislative and other congressional actions frequently have a marked effect on GAO. Those congressional actions which specifically require GAO to assume new responsibilities or

1/ When the staff-years scheduled for transfer to GSA to perform the transportation rate audit are added to GAO's total the corresponding staff-years are 5,230 in fiscal year 1975 and 5,456 in fiscal year 1976.

to perform particular studies, of course, have a direct impact. Also congressional creation of new Federal programs or expansion of existing ones increases our audit responsibilities--and our resource requirements. We cannot always fully estimate the impact of these actions, but we try to provide for them in our requests.

A. Legislation giving specific new responsibilities to GAO

The more significant legislative actions that will affect our workload in fiscal year 1976 are briefly described below.

1. The Congressional Budget and Impoundment Control Act of 1974 strengthens GAO's program evaluation role by requiring us to review and evaluate Government programs carried on under existing law, to develop and recommend methods for reviewing and evaluating Government programs and activities, and to assist in stating legislative objectives and goals and in developing methods for assessing and reporting actual program performance.

   The act also clarifies and strengthens the extensive responsibilities concerning Federal fiscal, budgetary, and program--related data and information systems given to the Comptroller General in cooperation with the Secretary of the Treasury; the Director, Office of Management and Budget; and the Director of the Congressional Budget Office.

   It gives GAO important new responsibilities regarding congressional consideration of recisions and deferrals of budget authority proposed by the President.

   Our implementation of the act has required us to establish a new Office of Program and Budget Analysis (OPBA) and to expand our Congressional Information Services Staff (CISS).

2. The Energy Reorganization Act of 1974 requires GAO to evaluate the effectiveness of licensing and related regulatory activities of the newly established Nuclear Regulatory Commission and the operations of the Office of Nuclear Safety Research and the Bureau of Nuclear Materials Security. A report to the Congress is required within five years. This and other work related to the Act's establishment of the Energy Research and Development Administration will significantly affect our work and our need for resources for some time to come.

3. The International Air Transportation Fair Competitive Practices Act of 1974 directs the Comptroller General to disallow any expenditures from appropriated funds for payment of personnel or cargo transportation on a foreign air carrier in the absence of satisfactory proof of necessity. This Act, in addition to its obvious requirement for the use of GAO resources, will present some rather complex problems which we will need to resolve.

4. The Trade Act of 1974 requires the Comptroller General to study adjustment assistance programs established by the Act and report to the Congress on the results of the study by January 31, 1980. This requirement and other provisions which call for greater Congressional participation in trade matters--both in the approval and the administration of trade agreements--will, we believe, significantly affect our workload.

5. The Small Business Amendments of 1974 require GAO to conduct a full-scale audit of the Small Business Administration, including its field offices, and to issue a report to the House and the Senate not later than 6 months from the date of the act. This requires us to perform work at the Administration's area and district offices.

6. Senate Report 93-1033 on Russian Grain Transactions, developed by the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations, recommended that the Comptroller General review in detail the export reporting system recently placed into operation to determine the outstanding export sales commitments of commodities in relation to existing stocks.

7. The AMTRAK Improvement Act of 1974 made GAO responsible for conducting an annual management audit of AMTRAK operations.

8. House Report 93-1120 directs the Federal Trade Commission and GAO to work together to resolve data reliability problems concerning FTC's line-of-business program which we had previously identified.

9. The Conference Report on FY 1975 DOD Appropriations, in September 1974, requests GAO to make an in-depth study of the program of the Department of Defense of stockpiling war materials or equipment for use by foreign countries and to report to the Committees on Appropriations within six months.

10. Audit of Non-Appropriated Fund Activities. The General Accounting Office Act of 1974 expands the duties of GAO to include the audit of nonappropriated-fund activities which sell merchandise or services to military, or other government personnel, and their dependents. There are hundreds of these activities, making total annual sales of about $6 billion. We will continue to look at the cognizant Executive agencies for continuing oversight and routine audit of these activities.

11. The D.C. Home Rule Bill requires GAO to make certain annual audits in connection with the District of Columbia's authority to borrow funds in the open market rather than, as in the past, from the U.S. Treasury. We are also mandated to continue our ongoing examination of the operations of the D.C. Government.

B. Impact on GAO of new legislation creating or expanding Federal programs

Perhaps even more significant, over the long-run, than legislation which specifically requires action by GAO is that which creates new Federal programs or expands existing program levels. A few examples follow.

1. The Solar Energy Research, Development and Demonstration Act of 1974 will heighten GAO emphasis on reviewing energy research and development programs.

2. The Housing and Community Development Act of 1974 significantly alters Federal involvement in a wide range of housing and community development activities. This new law will considerably affect GAO audit work, and we anticipate that it will significantly increase our congressional request workload.

3. The National Mass Transportation Assistance Act of 1974 provides for a 6-year mass transit program amounting to $11.8 billion. For the first time, operating subsidies, in addition to capital grants, will become a major part of the program. The massive infusion of funds and the new operating subsidies will require substantial audit effort by GAO.

4. The Emergency Jobs and Unemployment Assistance Act of 1974 authorizes an extensive emergency jobs program including transitional employment in public service jobs and extended training and manpower services; a special unemployment assistance program to aid previously uncovered workers; and emergency financial assistance to expand job creating activities in areas suffering from unusually high levels of unemployment. Congressional interest in this area and general economic conditions will, we believe, lead us to substantially increase our work in this area.

5. The Office of Federal Procurement Policy Act of 1974 and the revised statutes simplifying procurement procedures together implemented five of the key recommendations of the recent Commission on Government Procurement. Four of these related to the creation of the new Office of Federal Procurement Policy and its functions. The fifth makes a major simplification in small purchases by raising the ceiling from $2,500 to $10,000. We will continue to review Executive Branch action on these revisions and other recommendations of the Commission.

III. PLANNED APPLICATION OF RESOURCES BY PROGRAM

In establishing the need for and managing our resources, one of our main concerns is to balance our efforts in terms of Office-wide programs. The following table provides an estimate of staff requirements for fiscal years 1975 and 1976 in terms of our Office-wide program categories:

PLANNED APPLICATION OF RESOURCES
FISCAL YEARS 1975 AND 1976

PROGRAM CATEGORIES	ESTIMATED STAFF-YEARS FY 1975	FY 1976	CHANGE
A. Direct assistance to Congress	1,190	1,305	+115
B. Support to the Congressional Budget Process & Information Needs	104	165	+61
C. Reviews of:			
--Program Results	1,118	1,179	+61
--Economy and Efficiency	1,119	1,135	+16
	2,237	2,314	+77
D. Examination of Agencies' Financial Systems, Transactions, Accounts and Reports	243	243	-
E. Financial Management Improvement	125	125	-
F. Claims Settlement and Debt Collection	144	137	-7
G. Federal Election Activities	25	-	-25
H. Legal Services and Decisions	207	210	+3
I. Executive Direction and Management Services	517	553	+36
Total On-going GAO Staff-Years	4,792	5,052	+260
Transportation Rate Audit functions which will be transferred to GSA	438	404	-34
TOTAL	5,230	5,456	

A discussion of our plans and examples of our work in each of the Office-wide program categories follows.

A. Direct Assistance to Congress

A continuing and significant GAO objective is to provide maximum assistance to the Congress, its committees, and Members, consistent with our responsibilities as an independent nonpolitical agency. We approach all our work considering the contribution that it can make to the Congress in carrying out its legislative and oversight functions. Our audit staff resources are directed to work which will be most useful to the Congress, in areas which fulfill the greatest apparent need.

For our own planning and accounting purposes, we classify certain of our work as being of direct assistance to the Congress. This work includes:

--Specific surveys, reviews, and studies directed by legislation.

--Special surveys, audits, reviews, and studies requested by congressional committees and individual Congressmen.

--Testimony, and the special preparation required, at hearings on GAO reports and other matters.

--Work performed by GAO staff members assigned to congressional committees.

--Tasks involved in advising and assisting committees and individual Congressmen on legal, legislative, accounting, and auditing matters--especially with regard to legislation under consideration.

--Accounting, auditing, and advisory services with regard to House and Senate financial and administrative operations, including audits of concessionaires and other activities.

--Liaison activities with congressional committees and individual Members provided by our Office of Congressional Relations and members of our operating divisions.

Our work in connection with the above matches the current interests and concerns of the Congress. The interests of Congress pervade Governmental activities and programs and their interrelationships. They include consideration of wide-ranging proposals for new programs; for improvements to existing programs; and for innovative approaches to make Government more efficient, more effective, and generally more responsive to citizen needs. Consequently, our direct assistance work is similarly wide-ranging.

Because our direct assistance work is in large measure the result of requests for the performance of particular work, the work that we will do to directly assist the Congress in fiscal year 1976 will follow from its interests and concerns at that time. The material that follows, was chosen to illustrate the diversity of our direct assistance to the Congress in domestic, international, and defense programs and activities.

The resources that we devote to this program category have steadily increased in recent years. Further increases are expected. Our best estimates are that we will devote 1,305 staff-years to work in this category in fiscal year 1976 as compared to 1,190 in fiscal year 1975.

DOMESTIC PROGRAMS AND CONCERNS

Examples of work, performed at the direct request of congressional committees and Members of Congress are as follows:

--Criminal Justice. Responding to a request from the Chairman of the Subcommittee on Constitutional Rights, Senate Committee on the Judiciary, we reviewed the administration of programs under the Criminal Justice Act in 10 U.S. District Courts and the District of Columbia Superior Court.

--Criminal Rehabilitation. At the request of a Congressman, we are reviewing those programs of the Bureau of Federal Prisons that are directed to modification of inmate behavior.

--Domestic Intelligence. Based on a request of the Chairman, House Judiciary Committee, we are reviewing domestic intelligence activities of the Federal Bureau of Investigation.

--A Member of the Senate Government Operations Committee--expressing concern over the apparent proliferation of police, investigation, and intelligence units within the Federal Government and the need to effectively oversee this area of Government operations--asked us to acquire budgetary and personnel data on all units of the Federal Government performing such activities.

--Employment and Training. Responding to requests from three congressional committees and expressions of interest from a number of Members of Congress, we are performing a wide-ranging review of the Comprehensive Employment and Training Act of 1973, including allocation of funds, operational planning, the impact of public service employment, and the operational aspects of various manpower delivery systems.

--Energy Allocation. For some months now, we have been monitoring Federal Energy Administration Allocation Programs for the Subcommittee on Reorganization, Research and International Organizations, Senate Government Operations Committee.

--Energy Data Availability. At the request of the Chairman, Senate Committee on Interior and Insular Affairs, we recently reviewed the need for a centralized energy data bank. Our report pointed out various deficiencies in present energy data systems and concluded that, although it would be feasible to develop an effective centralized system, it would take several years and would require enabling legislation.

--Energy Sources. At the request of the Chairman, Subcommittee on Energy, House Committee on Science and Astronautics, we developed information on selected Federal and private solar energy activities--primarily those involving solar heating and cooling.

--Housing. The Chairman, Subcommittee on HUD, Space, Science and Veterans, House Committee on Appropriations, expressing concern over differing views on the costs of a new program which could amount to billions of dollars, asked GAO to review the comparative costs of providing housing under the section 8 leasing program and section 236 interest subsidy program.

--Income Security. Reflecting the high level of publicity and of citizen concern, we have recently received six different Member requests for work related to the implementation of the Supplemental Security Income Program and additional requests for our view of the solvency of the trust fund as related to the financing of prospective retirement benefits.

--Internal Revenue. Continuing as agents of the Joint Committee on Internal Revenue Taxation, and at its request, we are reviewing the Internal Revenue Service's audit and taxpayer service activities and the regulatory activities of the Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury.

--Juvenile Delinquency. The effectiveness and possible overlap and duplication of a number of youth programs designed to prevent juvenile delinquency are being reviewed at the request of the Chairman, Subcommittee on the District of Columbia, Senate Committee on Appropriations.

--Miner Health and Safety. At the request of the Chairman, Senate Committee on Labor and Public Welfare, we are reviewing the adequacy of the coal mine respirable dust sampling program under the Federal Coal Mine Health and Safety Act of 1969. That act prescribes health standards for reducing "black lung" by controlling respirable coal dust.

--Motor Vehicle Safety. At the request of the Chairman, Senate Committee on Commerce, we are reviewing the effectiveness of motor vehicle safety standards. This work includes analysis of the cost and benefits of several different safety standards.

--Pollution Research. At the request of the Chairman, Subcommittee on the Environment, Senate Committee on Commerce, we are reviewing the Environmental Protection Agency's research activities relating to the effects of air pollution on health and the environment.

--Postal Operations. In response to a request, we are reviewing the level of income and expense that the U.S. Postal Service may expect by 1984. We are also projecting the cost of first-class mail service, considering various specified contingencies.

--Regulatory Activities. At the request of a Congressman, we recently reviewed and reported on various aspects of the regulation of the natural gas industry by the Federal Power Commission. The report led to hearings by the Special Subcommittee on Investigation of the House Committee on Interstate and Foreign Commerce and to revision of Commission procedures for regulating the natural gas industry as well as for insuring that potential conflicts of interest do not arise from financial holdings of Commission officials.

--Resource and Material Shortages. At the request of the Chairman, Senate Committee on Interior and Insular Affairs, we are reviewing the development of resources on Indian reservations in the context of energy, mineral, food, and timber shortages facing the Nation and the employment, income, and economic development needs of Indians.

--Revenue Sharing. The Chairman, Subcommittee on Intergovernmental Relations, Senate Committee on Government Operations, recently asked us to conduct in-depth case studies of revenue sharing in 26 selected local governments around the country. At each local government we inquired into such matters as fiscal condition, civil rights record, public participation in the local budgetary process, and the impact of revenue sharing on local tax rates.

--Small Business Assistance. A major effort is under way to meet the requirements of Public Law 93-386 which requires GAO to make a complete audit of the Small Business Administration. We plan to report to the Congress, over the next 2 years, on (1) the 8(a) contract procurement program, (2) the minority enterprise small business investment company program, (3) the local development company program, (4) the 7(a) loan program (the Small Business Administration's major loan program), and (5) the lease guarantee program. We also plan to report on selective personnel management policies and practices, financial statements and accounting practices, and the management of the Administration's operations and organizations, including management controls used to monitor its program.

--Solid Waste Disposal. We recently reported to the Chairman, Senate Appropriations Committee, on the status of the District of Columbia's long-range solid waste disposal plan and on the need for a definition of facility requirements, for consideration of alternatives and for the development of detailed cost estimates.

DEFENSE PROGRAMS AND ACTIVITIES

--Independent Research and Development. Responding to requests of the Chairman, Subcommittee on Priorities and Economy in Government, Joint Economics Committee, and the Chairman, Subcommittee on Research and Development, Senate Committee on Armed Services, we are making an in-depth review of contractor's independent research and development and bid and proposal costs. We are examining the justification, benefits, management, and control over the programs as employed by agencies and contractors.

--Military Contracting. The Chairman, Subcommittee on Priorities and Economy in Government, Joint Economic Committee, asked us to review at two prime contractor locations the feasibility and practicality of identifying instances where prime contractor officials or employees received fees or kickbacks from subcontractors. This is responsive to interest, expressed by the Chairman in Subcommittee hearings, to eliminate conflicts of interest and to increase the use of competition in subcontracting.

--The Chairman, Subcommittee on Sea Power, House Committee on Armed Services, recently requested our views on the award of a contract for building the first Trident submarine and options for three additional ships. We are currently reviewing available information as a basis for responding to this request.

--Military Personnel. At the request of a Senator we are reviewing the Tri-service Medical Information System, a system presently under development for which the development costs are expected to exceed $50 million. When implemented, the system will automate information concerning health care service on a Defense-wide basis.

--Nuclear Testing. Responding to a request of the Chairman, Research and Development Subcommittee, Senate Armed Services Committee, we obtained information on the capability of the United States to promptly resume nuclear testing in the atmosphere.

--Service Academies. Responding to the request of several Members of Congress, we are presently making an in-depth review of the Service academies. In addition to reviewing the military and academic programs, our work will cover the increasing attrition rates and the cost of the academies' operations.

--War Reserves for U.S. Allies. At the request of the House and Senate Appropriation Committees, we are making an in-depth study of the Allied war reserves program covering its history and the manner in which it is being managed. The information is needed by the Subcommittee for Department of Defense Appropriations hearings to be held in March 1975.

--Weapons Systems. We perform extensive work which permits us to provide information to interested House and Senate Committees on cost, scheduling, and performance of a large number of major weapons systems being acquired for national defense. This information, initially requested in 1969, is of a continuing nature, with particular systems being added as congressional information needs change. Therefore, we do not consider it as individual reviews requested by Congress. We do, however, receive requests for specific reviews such as the following:

--A request to review Department of Defense helicopter requirements to identify any unnecessary duplication of development programs.

--A request to review the Department of Defense's cost effectiveness studies of the B-1 bomber program.

--A request to evaluate the Army's SAM-D missile testing program.

--A request of the Chairman, Public Works Committee, House Committee on Appropriations for information concerning procurement of artillery fired atomic projectiles, SRAM, Poseidon nuclear weapons systems, and B-61 bombs.

INTERNATIONAL PROGRAMS AND ACTIVITIES

Following are examples of work done pursuant to congressional requests in the international area.

--Economic Assistance. At the request of a Congressman, we issued a report on Overseas Private Investment Corporation's support of a luxury hotel constructed in Haiti.

--We are currently working on a request to study Eximbank participation in financing arrangements for the export of commercial jet aircraft and related matters. We anticipate that congressional interest will continue in fiscal year 1976 in connection with the Overseas Private Investment Corporation and Eximbank's activities.

--Food. The Chairman of the Subcommittee on Foreign Agricultural Policy, Senate Committee on Agriculture and Forestry, recently asked us to study selected food aid topics. He expressed particular interest in a comprehensive review of the Public Law 480 program and requested that we study five specific food aid topics.

--Military Security. At the request of a Senator, we recently reported on the excess defense articles provision in proposed foreign assistance legislation that, if enacted, would provide essentially unrestricted use of excess defense articles and would, in our judgment, make congressional oversight more difficult.

--Social Progress. At his request we recently provided the Chairman of the Subcommittee on Foreign Affairs with an evaluation of the uses made of funds available in the Social Progress Trust Fund. That Fund is intended to aid the economic and social development of the countries of Latin America. Our work assisted the Subcommittee in the formulation and subsequent adoption of legislative proposals designed to redirect the resources available to more direct and higher priority uses.

The work requests that we receive also reflect the interest of the Congress and its committees and Members in the effectiveness and efficiency of the organizations by which international and related activities are conducted--for example:

--The Chairman of the Senate Subcommittee on Foreign Operations, Committee on Appropriations, asked GAO to review and report on the cost and use of Agency for International Development personnel. Our recent report to the Subcommittee showed that increased use of Foreign Service personnel and decreased use of General Schedule personnel had contributed to a large increase in the average salary of Washington-based personnel, that two-thirds of the Foreign Service personnel were assigned to positions which could have been filled by lower graded personnel, and that the number of personnel on the Foreign Service reassignment subcomplement (personnel not assigned to a regular full-time, authorized position) had increased considerably in recent years.

--At the request of the Chairman of the Subcommittee on Children and Youth, Senate Committee on Labor and Public Welfare, we recently completed two reviews concerning the relationship between the Agency for International Development's Advisory Committee on Voluntary Foreign Aid and the agencies it registered. We pointed out that the existing relationships between the Advisory Committee and the volunteer agencies are inadequate to accomplish their intended purposes.

B. Support of the congressional budget process and congressional information needs

Enactment of the Congressional Budget and Impoundment Control Act of 1974 gave GAO three new responsibilities to help the Congress strengthen its role.

1. Budgetary and Economic Analysis. Supporting the Congress and its committees, we will perform budgetary and economic analyses of alternative monetary and fiscal policies and analyze the impact of major budget alternatives. This work will be conducted by and under the guidance of our newly established Office of Program and Budget Analysis.

   The objective of OPBA is to expand the analytical information provided by GAO to the Congress for use in its deliberations on major budget issues. OPBA has been assigned specific responsibility for identifying and analyzing major budget alternatives. The analysis is intended to highlight the important economic and program implications of choices available to the Congress with respect to the overall budget and the allocation of resources among major functional program areas.

   OPBA will particularly seek to provide the Congress with integrated analysis, timed to mesh with the budget process, which incorporates information relevant to that process developed by GAO through its program audits. This will require OPBA to maintain effective liaison with other elements of GAO, with the Congressional Budget Office, with the Congressional Research Service, and with appropriate committees of the Congress.

   OPBA will have two closely-related major lines of effort: (1) economic analysis and (2) budget issue analysis.

   The economic analysis staff will focus on developing analyses of the economy and the impact of Federal programs on the economy--particularly in the light of information and findings developed in GAO audits and investigations. This analysis will deal with these factors in the aggregate and in relation to various sectors, geographic regions, and population groups.

   The budget issue analysis staff will focus on the extent to which functional components of the budget can be changed and on the program implications of such changes, thereby highlighting the choices available to the Congress. This staff will have primary responsibility for liaison with other elements of GAO and for assuring that relevant information available through GAO's program audits is incorporated in the analysis of budget issues and is provided to the Congress systematically.

2. Congressional Information Needs. In fiscal year 1976 we will continue to increase our work in developing classification structures for reporting budgetary, fiscal, and program information to the Congress and assisting it to specify and meet its information needs.

   To date, on a cooperative basis, we have made significant strides in improving the appropriation classification structure of the Department of Housing and Urban Development and significant elements of the Department of Agriculture, the General Services Administration, the National Science Foundation, and the National Aeronautics and Space Administration.

   We have made meaningful starts in recommending changes to the Government-wide functional and subfunctional classification of outlays. We are also developing recommendations to improve the consistency and meaningfulness of certain revenue and receipt classifications.

   We are building and improving our capabilities and procedures to provide more effective information services to the Congress. For example, we are building a quick-response capability to locate and summarize fiscal budgetary information in response to congressional requests. This nonaudit information response will complement GAO's normal audit duties and will provide the Congress with the capability to readily obtain information from executive agencies within a short timeframe.

   We are developing ways in which data files in executive agencies can be accessed to meet recurring information requirements of the Congress. This approach--avoiding the establishment of our own large data files or those of the Congress--will maximize the use by the legislative branch of the vast data resources of executive agencies. Work on this approach will continue in cooperation with the agencies, with the Office of Management and Budget, and with the committees of Congress.

3. Impoundment Analysis. Work required by the Congressional Budget and Impoundment Control Act of 1974 is also included in this category. We will review presidentially imposed recisions reservations, and deferrals of budget authority and, where necessary, bring civil action to enforce congressional decisions on these matters.

Planned program levels--Our work in connection with this program category will involve an estimated 165 staff-years in fiscal year 1976 as compared to 104 staff-years in fiscal year 1975.

C. Reviews of program results, economy, and efficiency

Reviews of program results, economy, and efficiency are performed in fulfillment of GAO's responsibility to the Congress under the Budget and Accounting Act of 1921 and subsequent legislation.

The Legislative Reorganization Act of 1970 and the Congressional Budget and Impoundment Control Act of 1974 have recently highlighted the role that work in this category can play in aiding the Congress with its legislative as well as its oversight responsibilities. While continuing our important role of reviewing the economy and efficiency of agency operations and programs, we have stressed and will increasingly stress reviews of program results and effectiveness. This trend continues to influence our plans for fiscal year 1976.

In fiscal year 1976 we will devote an estimated 2,314 staff-years to self-initiated and continuing reviews of the type described below, compared to 2,237 staff-years estimated for fiscal year 1975.

Congressional use of GAO self-initiated work

Many of our self-initiated reports to the Congress are used in committee hearings or in connection with other oversight or legislative actions. While a large number of examples are available, a few are listed below:

--Recommendations made to the Congress in a May 1974 report, and in subsequent testimony before the Senate Committee on Agriculture and Forestry, were in large measure incorporated in the Commodity Futures Trading Commission Act of 1974.

--In August 1974, the Chairman of the Senate Committee on Interior and Insular Affairs told us that one of our recent reports demonstrated the need to substantially change the 1872 mining law. He said that his Committee has begun considering legislation on this subject which he believes will continue in the next Congress.

--Responding to a report on unsanitary conditions in the food manufacturing industry, a number of bills are presently under consideration in the House and Senate. Those bills would require food firms to register their establishments and products with the Food and Drug Administration--thus promoting fulfillment of that agency's inspection responsibilities.

--In a report to the Congress on activities of the Renegotiation Board, we made recommendations which would increase the scope of the Board's responsibilities and improve its effectiveness. The 1974 hearings of the Senate and House Appropriations Committees followed up on our recommendations in questions addressed to the Chairman of the Renegotiation Board. Other of our recommendations are presently under study by the House Ways and Means Committee.

--In 1973 we reported that 700,000 U.S. Savings Bonds totaling some $50 million remained unclaimed by owners. We reported that thousands of these bonds have been held in safekeeping by the Treasury and Federal Reserve Banks for over 30 years. Expressing concern that agency action--while being taken--was not progressing expeditiously, the Subcommittee on Legal and Monetary Affairs, House Government Operations Committee, held hearings in August 1974 to investigate further return of these bonds to their owners.

--The Chairman, Senate Armed Services Committee, expressed concern to the Secretary of Defense over the fact--pointed up in a GAO staff study given him--that the Navy was moving ahead with detailed design of a larger "surface effects ship" before solving major problems disclosed through development of smaller experimental models. Following this, action was taken to defer award of design contracts on the larger ship.

To further this type of response to our work we maintain contact with the committees of Congress and their staffs through briefing sessions and discussions of matters of mutual interest and concern.

Identification of priority lines of effort for self-initiated work in major issue areas

One of GAO's main strengths is its access to the operations of virtually all agencies of the executive branch. We can, therefore, review program and functional issues which cross agency lines. This gives us the opportunity to deal with such questions as overlapping and duplication among agencies, inadequate coordinating arrangements, conflicting approaches to programs and functions having common or related objectives, and so on.

Capitalizing on this through our program planning system, we are increasingly correlating our work so as to examine program interrelationships on major issues of highest concern to the Congress.

An example of this synthesizing approach is our plan for work involving energy problems. We plan to give priority to that work which will enable us to contribute to solutions in connection with:

--Energy conservation.
--Energy research and development.
--Federal proprietorship of energy resources.
--Energy data collection and analysis.

The new Office of Special Programs (section I) will give its attention to correlating all GAO work and work planning in the areas of energy, materials, and food. Other divisions and offices will perform similar functions in assigned areas.

Examples of self-initiated reviews of program results, economy, and efficiency

The following examples illustrate the scope and magnitude of these reviews.

DOMESTIC PROGRAMS AND ACTIVITIES

--Community Development. In a recent report to the Congress, we stated that the Department of Housing and Urban Development has not been successful in encouraging the development of new communities in central cities, smaller towns, and rural areas. Problems indigenous to those areas increase costs of the projects and risks of the developers. We suggested that consideration be given to changing the legislation to provide additional incentives which would encourage the development of all types of new community projects. We also recommended improved administration of the program in a number of areas.

--Dangerous Drugs. We recently recommended actions to better identify and investigate illicit sources of dangerous drugs. They included assignment of additional agents, increased priority on dangerous drugs enforcement, and more international cooperation to control the flow of dangerous drugs.

--Energy Resources. We are currently evaluating Federal efforts concerning the discovery and development of energy resources on Federal lands and the Outer Continental Shelf. We are evaluating practices employed in deciding when and where to lease, environmental impacts, and whether the public is receiving a fair return on its natural resources.

--Food Shortages. In recent years there has been increasing concern over the growing world-wide shortage of food and the supply outlook for agricultural commodities. We are currently examining major problems impeding agricultural development of small farms and the research and extension efforts being made to assist small farm operators to overcome the problems.

--Geothermal Resources. We are presently reviewing the development and use of geothermal resources, including the potential for developing large quantities of electric power from such resources and for developing fresh water from geothermal brines. We are considering progress being made in identifying and classifying areas containing geothermal resources and in leasing them as well as the legal problems affecting their development.

--Health Assistance. Following a survey of the eligibility of medically needy individuals under the Medicaid program in Illinois and New York City, we reported that the Department of Health, Education, and Welfare regulations on how States determine the eligibility of medically needy individuals appeared to be inadequate. We reported that, during the period covered by our survey,

payments of between $1.8 million to $4 million per month were made in New York City to ineligible individuals.

--Housing. In a recent report we evaluated the results of the Experimental Housing Allowance Program--one of the largest social experiments undertaken in the United States. That program was intended to provide low-income families with housing allowances to help them rent housing of their choice in existing standard housing units. Our report provided information on the results of the program and similar programs. It made observations on the costs and some likely effects of a national housing allowance program.

--Hunger. We recently reviewed the Special Summer Food Service Program for Children administered by the Department of Agriculture. Our work evaluated the effectiveness of the program in reaching eligible needy children and the adequacy of the management of operations at feeding sites.

--Immigration. Work currently in progress suggests that many immigrants wind up on the welfare rolls shortly after gaining entry to the United States. More vigorous screening of immigrant applications by consular officers could reduce the number of immigrants who eventually require public assistance.

--Justice. We are currently reviewing the effectiveness of State and local probation activities. We are developing a predictive model which, appropriately encouraged by the Law Enforcement Assistance Administration, should assist judges and probation officials to determine which offenders have a high potential for successfully completing probation and the extent to which specific probationers need certain types of supervision.

--Postal Operations. We recently reported that, to a certain extent, the careless handling of sorted mail has defeated the objectives of mechanization in sorting operations and added to the cost of mail delivery. Our report included recommendations which should help to reduce letter-sorting machine errors, improve environmental conditions, establish work standards, and expedite the flow of mail to its proper destination.

--Revenue Sharing. We are presently studying the revenue sharing program and the extent to which it recognizes the needs of recipient governments.

--Vocational Education. In reporting on a recent review of the operation of representative vocational education programs in seven states, we made recommendations which would help to direct Federal funds to achieve the purposes intended, improve the planning for delivery of vocational education, better target Federal funds to areas of need, expand training options, and more appropriately consider the impact of changing manpower requirements.

--Water Resources. We recently issued a report in which we pointed out improvements needed in making benefit-cost analyses for Federal water resources projects.

INTERNATIONAL PROGRAMS AND ACTIVITIES

--Benefits and Allowances to Civilian Employees. Following a recent review, we demonstrated the need for a single unified system of benefits and allowances for all Government employees overseas. We recommended several available options for developing and monitoring the implementation of uniform policies and standards.

--Cooperative Programs. We recently reviewed United States-Soviet Union cooperative programs. We considered their management, progress, and the potential benefits of cooperative programs under environmental protection, science and technology, and space exploration agreements. We plan to recommend improvements in the management of programs under these agreements and to suggest that the Congress monitor and evaluate the administration's actions in carrying out the programs in view of their political significance in the era of detente.

--Drug Traffic. We are continuing to review U.S. illicit narcotics control efforts worldwide. Our work extends from illicit drug production overseas to trans-shipment and abuse in the United States. It covers cooperation between the United States and foreign governments in such areas as intelligence gathering, training and advising foreign narcotics enforcement officers, developing narcotics control action plans, and providing economic alternatives to the growing of opium poppies.

--Economic Assistance. In a recent report to the Congress on U.S. economic assistance to Turkey, we questioned the need for continued U.S. concessional aid in view of such factors as Turkey's improved economic performance and the availability of substantial amounts of economic assistance from other sources.

--Food Shortages. A recent report to the Congress summarized attempts by the United States and international agencies to deal with current food problems. It was provided to the Congress in time to be of use in the November 1974 United Nations--sponsored food conference.

--After completing a series of planned reviews we will prepare a comprehensive report which will discuss significant issues raised in our individual reviews and the progress made by both the United States and the international community to improve existing programs and devise new ways to meet food challenges facing the world.

--International Organizations. We plan to survey the additional costs of U.S.-NATO committed forces in Europe. Some of these incremental budgetary costs are for permanent change-of-station, dependent education, and a separate supply system. Other costs include wages for foreign nationals employed by the United States and annual operating and maintenance costs of U.S. real property and installations.

--Labor Movements. We are currently reviewing the relationship between the Agency for International Development and those AFL-CIO labor institutes that carry out, under Agency contracts and grants, the development and implementation of labor programs in less developed countries. Among other things, we are assessing the extent to which the institutes' projects and activities are attaining goals and contributing toward the attainment of broad U.S. labor objectives.

--Military Assistance. We plan to develop information on controls over U.S.-provided equipment furnished foreign countries under Military Assistance Programs. In past years the bulk of such articles were furnished as grant aid over which the United States retains some control. Today most arms are provided under military sales agreements for which controls and authorities are generally not provided. Our work will consider controls which can preclude recipient countries from transferring U.S.-furnished arms to third countries.

--Mineral Supplies. We are currently studying the extent of U.S. dependency on imports of five essential minerals--bauxite/aluminum, nickel, chromium, tin, and manganese. We will then evaluate the potential for an embargo or supply disruption for political or economic reasons, industry's role in insuring supplies, investor-host government relations, and the role of Government policies and incentives in promoting the stability of mineral supply.

DEFENSE PROGRAMS AND ACTIVITIES

--Air Defense. In reports and testimony to the Congress, we questioned the effectiveness of the $4 billion Airborne Warning and Control System to perform its primary mission of controlling aircraft in a European combat environment. We are presently working with experts appointed by the Secretary of Defense who, at the recommendation of the Chairman, Senate Armed Services Committee, are looking into the viability of the system.

--Aircraft/Engine Development. In a recent report to the Congress we pointed out that new aircraft engines were being prematurely qualified for production. Production funds, and operations and maintenance funds, are then used to develop these engines to the capability ultimately desired.

--Antisubmarine Warfare Program. Our work in connection with this program is an example of the manner in which we are increasingly studying defense mission areas and related families of weapons systems. By so doing, we will provide information which gives a better understanding of the interrelationships of enemy threat, mission requirements, and the role that individual weapons systems play in the accomplishment of missions.

For example, in the antisubmarine warfare mission area, our preliminary impression is that the Navy has been buying platforms (ships and aircraft) which are not significantly enhancing the systems operations capability. Too little emphasis seems to be placed on research and development in fields where significant breakthroughs are needed to improve the system. These and other observations will be developed as we proceed with our work.

--Ballistic Missile Defense. Recent work with respect to the Army's ballistic missile defense program indicated that program emphasis is not being placed in accordance with priorities established for the program and money is being spent on unneeded facilities. We have reservations about proceeding with the program before concerns, basic to the success of the defense system, have been solved. A classified report to the Congress was issued.

--Bomber Programs. Continued cost growth, schedule slippages, and performance degradation prompted our recent report to the Congress on alternative candidates for the strategic manned bomber. We recommended that a new cost-effectiveness study be made. That study is now in process. We provided inputs to the study format, including recent recommendations to the Senate Armed Services Committee concerning the "sensitivity" of the study model to certain assumptions.

--Flight Simulation. Because of the cost of procuring and operating rapidly, we are reviewing Department of Defense policies regarding the acquisition and use of flight simulators. These devices provide realistic flight training in lieu of actual flying and can result in significant cost savings and increased safety.

--Material Shortages. Responding to the considerable attention being directed to the effect of material shortages on the national economy and our abilities to meet defense needs, we are presently considering the effectiveness and appropriateness of the Special Priorities and Assistance Program.

--Navigation Systems. We plan to perform several reviews involving radionavigation systems. These reviews will demonstrate savings available through development of an integrated national plan for navigation and a reduction in the present proliferation of similar or duplicative systems.

--Telecommunications. We are preparing a report to the Congress on the possibility of substantial staff and cost reductions at military telecommunications centers through use of appropriate staffing standards--with savings of some $21.7 million.

GOVERNMENT-WIDE FUNCTIONS

--Communications. Work in this area includes reviewing the planning, acquisition, management, and operation of Government telecommunications systems and equipment which represent an investment of $50 billion and annual expenditures of $10 billion.

--Computers. Our work and plans cover the range of computer acquisition, management, use, and disposal as well as their contribution to the overall management or other systems that they support and to which they are integral.

--Personnel. Given the size and significance of the Federal work force, our studies cover manpower planning, acquisition, use, and compensation and employee relations activities.

--Procurement and Contracting. On a systematic basis, considering the size and significance of programs and other factors such as management controls, we review the gamut of processes by which the Government determines its requirements for goods and services and acquires them from suppliers. In so doing, we routinely consider such factors as source availability, requirements determination, contract and subcontract pricing, contractual arrangements and modes of contracting, and the extent and character of competition.

--Facilities, Acquisition, Maintenance, Utilization and Disposal. Our work will continue to promote the effective and efficient use of real property of the government; optimal construction, repair, and maintenance practices; and timely disposal of property that is no longer required for Government use.

--Records Management. Our work will stress ways in which we can reduce the volume and cost of paperwork--a cost which is estimated at $15 billion annually.

--Transportation and Traffic Management. We will continue efforts to promote effective and efficient traffic management practices within the Government. Our work will emphasize ways in which the Government can obtain the transportation service which best meets its needs at the most favorable cost.

D. Examination of agencies' financial systems, transactions, accounts, and reports

Our work under this program category is required by various statutes and includes:

--Review of accounting systems in operation.

--Audit and settlement of accounts of accountable officers in civil departments and agencies.

--Audits of pay and allowances of civilian employees of the Department of Defense and centralized voucher audits, including account settlement, at military finance centers.

--Annual audits required for Government corporations and other governmental activities.

In fiscal year 1976 we plan to apply 243 staff-years to these functions (the same as in fiscal year 1975), but with increased effort to be applied to reviews of accounting systems in operation, while decreased effort will be needed at the Military Finance Centers. The new authority contained in the General Accounting Office Act of 1974 to audit Government corporations at least every 3 years, instead of annually, will permit more efficient scheduling of available staff resources among all of the above responsibilities.

Our reviews of accounting systems in operation are performed to determine whether they are being operated in an economical, efficient, and effective manner in compliance with requirements prescribed by the Comptroller General and whether they provide timely, accurate, and useful information. We also develop recommendations to correct indicated deficiencies.

Our account settlement work evaluates civil agency financial management systems, internal controls, and internal audits, as necessary to meet our statutory responsibility for settling the accounts of accountable officers.

Audits of Government corporations and other activities are made in accordance with the principles and procedures applicable to commercial enterprises pursuant to the Government Corporation Control Act and other specific legislation to determine propriety of financial transactions and fairness of financial statements and to furnish such comments and information as may be deemed necessary to keep Congress informed of the operations and financial condition.

We are increasingly considering our work under this program category in the context of multisystem, multiagency, and Government-wide reviews of financial issues and problems that have a significant effect on Government costs, revenues, or services.

E. Financial management improvement

Pursuant to the Budget and Accounting Procedures Act of 1950, the General Accounting Office:

--Prescribes accounting principles and standards for the guidance of executive agencies.

--Cooperates with agencies in the development and improvement of their accounting and financial management systems.

--Determines the adequacy of agencies' principles and standards and accounting systems design.

--Approves the principles and standards and designs when they meet established requirements.

--Works with the Office of Management and Budget, the Treasury Department, General Services Administration and the Civil Service Commission in the Joint Financial Management Improvement Program, a Goverment-wide program for stimulating improvements in accounting and other financial management practices.

--Cooperates with State and local governments to strengthen accounting, auditing, and program evaluation standards and methodologies.

Principles and standards have been approved for 98 percent of the accounting systems subject to approval. Designs have been approved for 43 percent of the systems. We will, during fiscal year 1976, apply effort responding to increased activity of the Department of Defense in this area, and we will continue our cooperative systems approval activity in civil agencies.

In fiscal year 1976 we will continue a strong participation in the Joint Financial Management Improvement Program with the major objective of developing cooperative projects with the full participation of agency personnel. Successful projects will be disseminated through the Program for possible implementation into agency financial management systems. Program involvement in measuring the Federal productivity trend will continue as a major effort directed toward enhancing Federal productivity.

We will also continue our leadership role in assisting Federal, State, and local government agencies to strengthen and improve their accounting, auditing, and program evaluation standards and methodologies.

Our work in this program area will require 125 staff-years in fiscal year 1976--the same as fiscal year 1975.

F. Claims settlement and debt collection

This category includes our work in settling claims by and against the United States. By so doing, we provide aggrieved parties with an impartial and independent settlement of their

claims, at little or no expense to them. At the same time, this function reduces the burden of the courts and that of the Department of Justice, which otherwise might result from litigation instituted by such aggrieved parties.

--Payment claims adjudication work--This includes claims against the United States that are referred to GAO for settlement because they involve doubtful questions of law or fact or because such submission is required by statute. We can anticipate receipt of approximately 9,000 claims in fiscal year 1975, the same number as were received in 1974.

--Debt adjudication, collection, and waiver work--This includes claims referred to GAO because of administrative doubt as to the liability of the debtor or the amount of the debt. Another reason for referral is that the agencies' own collection efforts have been unsuccessful. During fiscal year 1974, our Debt Branch disposed of 26,580 debt claims (approximately 6 percent more than were disposed of in fiscal year 1973), leaving a workload of 36,651. Collections increased 23 percent (see section S).

We will continue (1) to intensify our reviews of agency claims settlement and debt collection activities with the objective of improving executive agency operations and (2) to streamline our procedures to permit processing of a greater number of claims with fewer personnel.

Planned program levels--We plan to use 137 staff-years in this program category in fiscal year 1976, as compared with 144 staff-years in fiscal year 1975.

G. Federal election activities

This category involves GAO performance of functions required by the Federal Election Campaign Act of 1971 and the Presidential Election Campaign Fund Act approved on December 10, 1971. Under the Federal Election Campaign Act Amendments of 1974, a Federal Election Commission has been established to carry out these functions. The act provides that, within 30 days after the appointment and qualification of the members and the General Counsel of the Commission, the Comptroller General and other supervisory officers shall meet with the Commission and arrange for the transfer of all records associated with these functions.

Consequently, while approximately 25 staff-years will be used in connection with work under this category in fiscal year 1975, we anticipate that no work will be performed with respect to it in fiscal year 1976. This is based on the assumption that the Commission will be organized before the end of fiscal year 1975.

H. Legal services and decisions

The legal work of the Office extends, with certain exceptions, to virtually the full range of the Government's receipt and expenditure activity. This work involves:

--Preparation of legal decisions on questions within the jurisdiction of the Comptroller General.

--Preparation of legal decisions in response to requests of unsuccessful bidders.

--Furnishing legal reference and legislative services.

--Legal review of audit reports and other legal services.

--Legal services to committees and Members of Congress.

--Legal services to divisions and offices of GAO.

Many legal questions arise as a result of our audits and reviews of agency operations. Heads of departments and agencies, as well as disbursing and certifying officers, have a statutory right to submit for advance decision any question on the legality or propriety of proposed expenditures of Federal funds. Contracting and procurement officers may obtain decisions on questions arising in connection with proposed awards of Government contracts. Individuals and firms whose claims have been disallowed by actions of the Transportation and Claims Division and bidders for Government contracts who feel that procurement statutes and regulations have not been properly applied may apply for decision. Decisions of the Comptroller General in these matters are final and conclusive upon the executive branch of the Government; payments made contrary to our decisions are subject to disallowance. Private concerns and individuals who may be adversely affected have further recourse to the courts in most cases.

Legal and technical services are provided by our attorneys to the Department of Justice in the prosecution and defense of transportation suits by and against the United States.

To provide the required legal services and decisions, we plan to use 210 staff-years in fiscal year 1976 as compared with 207 staff-years devoted to these purposes in fiscal year 1975. (Effort classified as Direct Assistance to Congress requires an additional 27 staff-years in 1976 compared with 25 staff-years in 1975).

I. Executive direction and management services

This program category includes:

--Direction and control of the operations of the General Accounting Office by the Office of the Comptroller General (see section E). Thirteen staff-years are required in fiscal year 1976, the same as those utilized in fiscal year 1975.

--Special staff services performed by the Office of Congressional Relations and the Information Officer (see section F). Twenty staff-years are required in fiscal year 1976--the same as those utilized in 1975.

--The functions of the Office of Policy, the Office of Program Planning, and the Office of Internal Review which involve policy formulation, long-range planning, internal review, and preparation of office publications (see section H). Forty-one staff-years are required in fiscal year 1976--three more than in fiscal year 1975. This augmentation supports the program planning function.

--The Management Services Organization which provides support to all the divisions and offices, as follows:

--Personnel Management.
--Financial Management.
--Administrative Services.
--Library Services.
--Publishing and Graphic Services.
--Special Training Programs, including the Upward Mobility Program.

The Management Services functions are discussed in section U. The principal growth in fiscal year 1976 is concerned with continued planned expansion in the Upward Mobility and Worker Trainee Programs, which will expand from 41 staff-years in fiscal year 1975 to over 60 staff-years in fiscal year 1976.

J. Centralized audit of transportation payments and related activities (Functions to transfer to GSA)

The General Accounting Office Act of 1974 authorizes the transfer of this function to the General Services Administration. The transfer is expected to be completed during fiscal year 1976, as described in section S.

After transfer, we will continue to be responsible for the overview of administrative policies, practices, and procedures of the executive agencies assigned the audit responsibility. We will retain the functions of collection, compromise, and termination of transportation debts that are referred to GAO by other agencies. We will continue to render decisions and guidance to disbursing and certifying officers, to the heads of departments or agencies in advance of payment for transportation expenditures, and to claimants who request the Comptroller General to review settlements involving questions of law or fact.

During the period prior to the transfer, we will pursue the automation of transportation audits, building on and making our audit system compatible with agency management and fiscal systems.

Planned program levels--To perform the systems improvements indicated above--and to meet workload requirements during and following the transfer--will require 404 staff-years in fiscal year 1976. This compares with 438 staff-years in fiscal year 1975.

SALARIES AND EXPENSES
SUMMARY OF AMOUNTS REQUESTED

	Tab Reference	1975 Estimate Total Positions 6/30	1975 Estimate Staff-Years*	1975 Estimate Salaries	Changes 1975 to 1976 Total Positions 6/30	Changes 1975 to 1976 Staff-Years*	Changes 1975 to 1976 Salaries	1976 Estimate Total Positions 6/30	1976 Estimate Staff-Years*	1976 Estimate Salaries
OFFICE OF THE COMPTROLLER GENERAL	E	14	14	$ 362,500	--	--	+$ 5,000	14	14	$ 367,500
SPECIAL STAFF SERVICES	F	20	20	402,100	--	--	+ 9,700	20	20	411,800
OFFICE OF THE GENERAL COUNSEL	G	250	232	4,275,500	+ 1	+ 5	+ 336,600	251	237	4,612,100
ASSISTANT COMPTROLLER GENERAL POLICY AND PROGRAM PLANNING	H	40	37	836,900	+ 2	+ 3	+ 117,300	42	40	954,200
ASSISTANT COMPTROLLER GENERAL SPECIAL PROGRAMS	I	104	92	1,844,200	+ 41	+ 37	+ 732,500	145	129	2,576,700
ASSISTANT COMPTROLLER GENERAL		11	9	206,400	--	+ 1	+ 28,400	11	10	234,800
OFFICE OF PROGRAM AND BUDGET ANALYSIS		36	21	415,000	+ 30	+ 37	+ 713,900	66	58	1,128,900
OFFICE OF SPECIAL PROGRAMS		57	48	957,500	+ 11	+ 13	+ 255,500	68	61	1,213,000
OFFICE OF FEDERAL ELECTIONS		--	14	265,300	--	- 14	- 265,300	--	--	---
FEDERAL PERSONNEL AND COMPENSATION DIVISION	J	102	101	2,049,500	+ 18	+ 11	+ 183,300	120	112	2,232,800
FINANCIAL AND GENERAL MANAGEMENT STUDIES DIVISION	K	291	254	5,856,400	+ 6	+ 34	+ 932,000	297	288	6,788,400
JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM	L	10	10	220,400	--	--	+ 20,800	10	10	241,200
GENERAL GOVERNMENT DIVISION	M	236	218	4,378,400	+ 12	+ 12	+ 382,200	248	230	4,760,600
INTERNATIONAL DIVISION	N	285	276	5,608,700	+ 4	+ 3	+ 461,300	289	279	6,070,000
LOGISTICS AND COMMUNICATIONS DIVISION	O	180	173	3,766,200	+ 3	+ 4	+ 223,600	183	177	3,989,800
MANPOWER AND WELFARE DIVISION	P	294	281	5,337,800	+ 32	+ 24	+ 537,700	326	305	5,875,500
PROCUREMENT AND SYSTEMS ACQUISITION DIVISION	Q	191	183	4,141,900	- 1	+ 1	+ 301,300	190	184	4,443,200
RESOURCES AND ECONOMIC DEVELOPMENT DIVISION	R	289	272	5,297,200	+ 9	+ 8	+ 405,700	298	280	5,702,900
TRANSPORTATION AND CLAIMS DIVISION	S	179	176	2,496,700	- 20	- 10	+ 84,100	159	166	2,580,800
FIELD OPERATIONS DIVISION	T	2,091	1,997	36,462,900	+115	+ 94	+ 3,059,700	2,206	2,091	39,522,600
ASSISTANT COMPTROLLER GENERAL MANAGEMENT SERVICES ORGANIZATION	U	451	456	6,184,800	+ 35	+ 34	+ 570,400	486	490	6,755,200
SUB-TOTAL		5,027	4,792	89,522,100	+257	+260	+ 8,363,200	5,284	5,052	97,885,300
TRANSPORTATION AND CLAIMS DIVISION TRANSFER	S	424	438	6,038,900	- 29	- 34	+ 159,800	395	404	6,198,700
SUB-TOTAL		5,451	5,230	95,561,000	+228	+226	+ 8,523,000	5,679	5,456	104,084,000
PERSONNEL BENEFITS	V-2			8,970,000			+ 935,000			9,905,000
TRAVEL	V-4			7,600,000			+ 1,422,000			9,022,000
OTHER EXPENSES	V-7			13,058,000			+ 2,771,000			15,829,000
TOTAL GAO				125,189,000			+13,651,000			138,840,000
TRANSFER TO GSA	V-12			---			+ 700,000			700,000
ESTIMATED OBLIGATIONS 1975 and 1976				$125,189,000			+$14,351,000			$139,540,000
APPROPRIATION 1975				$121,376,000						
ESTIMATED SUPPLEMENTAL FOR PAY INCREASE				3,813,000						

*See page D-4 for distribution of Field and Overseas staff-years by division and office in fiscal year 1975 and fiscal year 1976.

DETAIL ON STAFF-YEARS AND COMPENSATION

	1974 Actual		1975 Estimate		1976 Estimate	
	Staff Years	Amount	Staff Years	Amount	Staff Years	Amount
Statutory rate of $42,500	1		1		1	
Statutory rate of $40,000	1		1		1	
Statutory rate of $38,000	1		1		1	
Executive Level IV	4		4		4	
GS-18	12		14		15	
GS-17	26		26		27	
GS-16	47		53		58	
GS-15	252		254		290	
GS-14	495		532		555	
GS-13	682		731		768	
GS-12	676		724		761	
GS-11	749		750		760	
GS-10	12		13		14	
GS- 9	507		587		610	
GS- 8	70		70		70	
GS- 7	314		354		367	
GS- 6	222		260		280	
GS- 5	348		370		400	
GS- 4	330		300		302	
GS- 3	128		115		106	
GS- 2	21		12		8	
GS- 1	2		--		--	
Ungraded	42		42		42	
Total Full Time Staff-Years and Salary	4,942	83,236,050	5,214	94,458,500	5,440	102,970,800
United States and possessions	4,868	81,886,887	5,145	93,057,700	5,371	101,475,300
Foreign countries	74	1,349,163	69	1,400,800	69	1,495,500
Consultants	12	433,671	16	632,000	16	635,000
Other personnel compensation:						
Overtime and holiday pay		613,042		669,800		674,000
Night differentials		2,841		3,000		3,000
Post differentials		64,485		42,700		46,200
Full Time Staff Years Plus Consultants	4,954	$84,350,089	5,230	$95,806,000	5,456	$104,329,000
Salaries and wages are distributed as follows:						
Direct obligations		$84,104,508		$95,561,000		$104,084,000
Reimbursable obligations		$ 245,581		$ 245,000		$ 245,000
Average GS grade		10.14		10.20		10.24
Average GS salary		$ 16,861		$ 18,146		18,964
Average Salary of Ungraded Positions		$ 11,006		$ 11,006		$ 11,205

U.S. GENERAL ACCOUNTING OFFICE
Location and Staffing of Major Offices

	Staff-Years		Actual on Board Dec. 31
	1975	1976	1974
Regional Offices:			
Atlanta	144	155	147
Boston	113	114	114
Chicago	122	130	127
Cincinnati	120	124	120
Dallas	148	157	147
Denver	131	131	131
Detroit	127	127	125
Kansas City	133	139	135
Los Angeles	131	140	132
New York	123	126	122
Norfolk	92	93	94
Philadelphia	129	139	129
San Francisco	144	151	144
Seattle	121	121	124
Washington (Falls Church, Va.)	210	235	210
Total Regional Offices	1,988	2,082	2,001
Foreign Operations:			
Far East Branch			
Honolulu	43	43	46
Bangkok	19	19	19
European Branch			
Frankfurt	50	50	46
Total Foreign Operations	112	112	111
Washington, D. C.	2,692	2,858	2,686
Sub-Total GAO.	4,792	5,052	4,798
TCD Transfer to GSA	438	404	458
Total	5,230	5,456	5,256

DISTRIBUTION OF FIELD STAFF-YEARS

Divisions and Offices	FY 1975	FY 1976	Change
Financial and General Management Studies Division	157	161	+ 4
Field Operations Division	205	210	+ 5
Federal Personnel and Compensation Division	142	146	+ 4
General Government Division	213	223	+10
International Division	23	34	+11
Logistics and Communications Division	254	253	- 1
Manpower and Welfare Division	378	407	+29
Procurement and Systems Acquisition Division	341	345	+ 4
Resources and Economic Development Division	246	275	+29
Transportation and Claims Division	2	2	-
Office of Federal Elections	11	--	-11
Office of Special Programs	24	34	+10
Policy and Program Planning	1	1	-
	1,997	2,091	+94

DISTRIBUTION OF OVERSEAS STAFF-YEARS

Divisions and Offices	FY 1975	FY 1976	Change
Financial and General Management Studies Division	3	2	- 1
Federal Personnel and Compensation Division	10	10	-
General Government Division	1	1	-
International Division	44	45	+ 1
Logistics and Communications Division	44	45	+ 1
Manpower and Welfare Division	2	3	+ 1
Procurement and Systems Acquisition Division	4	3	- 1
Resources and Economic Development Division	1	-	- 1
Transportation and Claims Division	3	3	-
TOTAL	112	112	-

OFFICE OF COMPTROLLER GENERAL

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	6	6	-
	Other	8	8	-
	Total staff-years	14	14	-
FIELD	Professional & technical	-	-	-
	Other	-	-	-
	Total staff-years	-	-	-
TOTAL	Staff-years	14	14	-
	Positions at June 30	14	14	-

SCOPE AND NATURE OF WORK PROGRAM

The Comptroller General is responsible for the direction and control of the General Accounting Office and is required to perform certain duties as specified by the Budget and Accounting Act of 1921, the Budget and Accounting Procedures Act of 1950, the Legislative Reorganization Act of 1970, and other laws. In general, direction and control of the General Accounting Office is related to (1) providing direct assistance to the Congress through special audits and reviews at the request of congressional committees and members, assigning GAO staff members to committees, presenting testimony, etc., (2) performing independent audits and reviews of the management efficiency and the results of Federal programs, (3) providing legal advisory services and decisions relative to financial matters to the Congress, departments, and agencies, (4) examining Federal agencies' financial systems, transactions, accounts, and reports, (5) participating in programs and activities to improve financial management in the Federal Government, (6) settling claims for and against the United States, except those placed by law under the jurisdiction of the department or agency responsible, (7) performing functions assigned by the Presidential Election Campaign Act of 1971 and the Federal Election Campaign Act of 1971, and (8) providing support to the congressional budget process as authorized under the Congressional Budget and Impoundment Act of 1974.

The Comptroller General was designated as a member of the Technology Assessment Advisory Council by the Technology Assessment Act of 1972. He continues to serve on other boards and commissions, including serving as Chairman of the Cost Accounting Standards Board (Public Law 91-379, Aug. 15, 1970).

The immediate Office of the Comptroller General has two major responsibility areas. The first, Executive Direction, is made up of the Comptroller General, who directs and controls the operations of the General Accounting Office, the Deputy Comptroller General, who assists the Comptroller General in overall office administration, and the Assistant Comptroller Genera for Special Assignments, who reviews selected office programs and advises the Comptroller General on current and long-term plans and undertakes a variety of special projects. Ten staff years are applied to these functions.

The second area of responsibility in the immediate Office of the Comptroller General is the Equal Employment Opportunity Office. This office serves to monitor the General Accounting Office's Equal Employment Opportunity Program. It issues EEO action plans and handles discrimi nation cases utilizing, on an as-needed basis, counselors and investigators from other offices and divisions within GAO. Four staff years are applied to these functions.

SPECIAL STAFF SERVICES

		FY 1975	FY 1976	CHANGE
OFFICE OF CONGRESSIONAL RELATIONS	Professional & technical	6	6	-
	Other	8	8	-
	Total staff-years	14	14	-
PUBLIC INFORMATION OFFICE	Professional & technical	3	3	-
	Other	3	3	-
	Total staff-years	6	6	-
TOTAL	Staff-years	20	20	-
	Positions at June 30	20	20	-

SCOPE AND NATURE OF WORK PROGRAM

The Office of Congressional Relations is the central coordination point within GAO for providing the Congress with prompt and effective assistance. The Office is under the direct supervision of the Deputy Comptroller General and is headed by a Director. The representatives from the Office maintain continuous contact with Members of Congress and committee staffs to:

--Coordinate the work of the Office in meeting and anticipating the needs of the committees and individual Members of Congress.

--Keep the committees of the Congress advised of information developed by our operating divisions.

--Ascertain the interests of committees so that they will be considered in planning our audit programs.

--Provide personal attention to the inquiries and requests of individual Members and committees.

--Arrange for testimony to be given before congressional committees.

The Public Information Office supports, with a variety of services, GAO communications with the Congress, the media, and the public.

It provides editing and writing services on titles and digests of GAO audit reports to the Congress, its committees, and Members; it prepares the Monthly List of GAO Reports, which the Comptroller General sends to the Congress as required by the Legislative Reorganization Act of 1970; and it prepares the GAO Management News.

The Information Office is the main point of contact between GAO and the various media and is available to press, radio, and television representatives.

OFFICE OF THE GENERAL COUNSEL

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	127	133	+ 6
	Other	105	104	- 1
	Consultant	(a)	(a)	-
	Total staff-years	232	237	+ 5
FIELD	Professional & technical	-	-	-
	Other	-	-	-
	Total staff-years	-	-	-
TOTAL	Staff-years	232	237	+ 5
	Positions at June 30	250	251	+ 1

[a]To be provided by Management Services Reserve.

SCOPE AND NATURE OF WORK PROGRAM

The Office of the General Counsel is responsible for the legal and legislative work of the General Accounting Office.

The legal work includes preparing decisions concerning the legality and propriety of the receipt and expenditure of public funds; preparing advisory opinions and reports on proposed and pending legislation to Members of Congress, congressional committees, and the Office of Management and Budget; preparing reports and furnishing legal assistance in connection with litigation by and against the United States; reviewing draft reports prepared by the auditing divisions; and preparing office memorandums on legal questions arising in the daily work being performed by the organizational segments of the General Accounting Office.

The legislative work includes formulating and presenting legislative recommendations to the Congress.

The principal assignment responsibility is the preparation of decisions on questions within the jurisdiction of the Comptroller General of the United States in connection with his authority and responsibility for determining the legality and justice of public accounts. This decision function, involving the interpretation and application of Federal statutes and regulations, has produced a large body of pronouncements over the years which serve as interpretive guidelines applicable to receipt and appropriated-fund expenditure transactions of the Government.

Heads of departments and establishments and disbursing and certifying officers are authorized to apply to the Comptroller General for advance decisions on any legal question involved in a proposed expenditure of Federal funds. Government contracting and procurement officers, as well as individuals and organizations doing business with the Government, utilize the forum provided by the office to resolve legal questions which arise incident to awarding and executing agreements and contracts. Persons indebted to the Government and those having claims against the Government may have their accounts reviewed.

Decisions of the Comptroller General relating to the propriety of Government expenditures and the settlement of public accounts are binding and conclusive upon the executive branch of the Government; they cover subject matter virtually as wide ranging as that of Governmental activity itself.

The diverse scope of the legal work of the Office of the General Counsel is categorized under five general areas which also represent the organizational units within the Office:

--Personnel. Matters relating to civilian and military personnel, including compensation, leave, travel, transportation, and retirement.

--Contracts. Matters relating to procurement by the Government of goods and services; the construction of public buildings, military housing, highways, and public works projects; lease agreements; the sale of Government property, real and personal; and bid-protest cases.

--General Government matters. Matters concerning the availability and obligation of appropriations; the application of appropriation limitations and prohibitory statutes; the accountability of Government fiscal officers; matters relating to Government corporations and regulatory agencies; and matters relating to Federal aid to States, Federal grant programs, etc.

--Transportation. Matters involving movement of Government shipments and personnel by air, motor, rail, and water carriers.

--Special studies and analysis. A broad variety of matters, including rendering advice to the General Counsel or Comptroller General on problems which cross traditional organizational lines; interfacing with the other divisions and offices of GAO in areas of common interest; and analyzing segments of agency law to develop position papers to solve recurring problems.

The Legal Reference Services of the Office of the General Counsel is a major functional element comprised of (1) the Index-Digest Section, (2) the Index and Files Section, and (3) the Legislative Digest Section.

The Index-Digest Section compiles an annual published decision volume, monthly pamphlets of decisions, and digests and indexes for selected decisions and related legal matters. Decisions are continuously furnished to the LITE (Legal Information Through Electronics) activity operated by the Staff Judge Advocate at the Air Force Accounting and Finance Center, Denver. Information on unpublished decisions is made available to Government agencies by means of quarterly digest pamphlets covering each of our assignment areas. A cumulative citation and subject index is maintained on all decisions. Research services are furnished upon request. During 1974 the Index-Digest staff handled 3,912 research inquiries. Copies of decisions are also furnished upon request to members of Congress and to congressional committees. In fiscal year 1974, 40,307 copies of our decisions were distributed by Index-Digest.

The Index and Files Section recorded and analyzed 67,361 pieces of incoming correspondence and dispatched 17,635 decisions, reports, and letters during fiscal year 1974.

The Legislative Digest Section prepared 9,999 legislative history files on all public and private bills introduced in the first and second sessions of the 93d Congress and processed requests for reports on 533 bills from congressional committees and Members of Congress.

During fiscal year 1974, the Office of the General Counsel processed 4,716 separate legal matters, as listed below. These in turn produced 5,762 responses and 3,732 incidental pieces of correspondence.

Contracts	1,549
General Government matters	1,381
Civilian personnel	679
Military personnel	417
Transportation	690
	4,716

Included in this total are 533 advisory opinions and comments on proposed and pending legislative and legal matters which were furnished to committees and individual Members of Congress. Beyond this, the Special Studies and Analysis Branch issued 203 memoranda and opinions in response to legal questions arising from the daily work of the offices and divisions of GAO.

OFFICE MANPOWER ALLOCATIONS

In fiscal year 1975 and again in 1976, we are making small additions to our staff of attorneys to enable us to provide more timely disposition of the growing number of increasingly novel and complex legal issues presented to us. In these years, both by adding professional personnel and by reallocating our existing staff, we are devoting a greater emphasis to providing, for the various offices and divisions of GAO, a similar variety of legal services to that which we provide for the Congress and for other governmental agencies. Through our Special Studies and Analysis Branch, we have attempted to provide an accessible forum for the resolution, in an expeditious manner, of legal problems which arise in the course of the daily work of the audit divisions to assist in insuring that congressionally imposed time limitations are met. In the area of bid-protest cases, we contemplate more frequent details of attorneys, working in conjunction with teams of auditors, to develop the factual background necessary for the complete and speedy resolution of the issues presented by the more complex bid-protests which we process.

The following schedule shows the allocation by staff-years among our component operating groups estimated for fiscal year 1975, together with the composition which we plan for fiscal year 1976.

	Staff-years		
	FY 1975	FY 1976	Change
Professionals:			
Planning and Administration	2	3	+1
Legal Reference Services	3	3	-
Procurement Law	40	40	-
Transportation Law	12	12	-
Civilian Personnel Law	17	18	+1
Military Personnel Law	12	12	-
General Government Matters Law	21	21	-
Special Studies and Analysis	16	20	+4
Summer Legal Interns	4	4	-
Total	127	133	+6
Other:			
Legal Secretaries			
Legal Reference Services	45	45	-
Clerical	60	59	-1
Total	105	104	-1
Total	232	237	+5

Procurement Law Division: Questions involving the Government's procurement of goods and services accounted for one-third of our cases (1,549 out of 4,716). We expect that this situation will continue through fiscal year 1976. Of this division's cases, 1,059 involved bid protests which are subject to time deadlines imposed by the Comptroller General's regulations and the Commission on Government Procurement's recommendations.

In fiscal year 1974, we inaugurated, in cooperation with the Navy Department, an intensive course in procurement law which was taught by attorneys in both agencies. We did this because the constant growth and change in this area of the law dictated an organized and systematic program to update legal knowledge and to refine our attorneys' skills. This course will be given in the fall of the current fiscal year. Discussions are being conducted with the Civil Service Commission to make the course, taught by experts in both agencies, a definitive part of the ongoing Government-wide training program, so that it may be attended by employees of all Federal agencies who may have a particular interest in its subject matter.

General Government Matters Law Division: This division construes statutes covering Government programs dealing with complex social, economic, and political problems under broad legislative mandates that do not provide detailed guidance. Many of these decisions require extensive research.

A large part of this division's work is to respond to issues of a high priority, "expedite" nature. Adequate staff is of vital concern if our tradition of rendering prompt advice and service to the Congress and to other divisions of GAO is to be maintained. The General Government Matters Law Division reviews most of the audit reports and reports on legislation issued by the Office. The frequency and extent of formal and informal contacts with the Congress is expected to increase in fiscal year 1976.

Another responsibility area of this division is that of determining the legal availability of appropriated funds for all governmental agencies. We anticipate an increase in this type of problem during the coming fiscal year.

Transportation Law Division: This division continues to discharge its responsibility of insuring that the Federal Government is appropriately charged for the transportation of its goods or personnel, by whatever form, throughout the world. Since its workload has stabilized in recent years, we contemplate no increase in its professional staff in fiscal year 1976.

The Personnel Law Division is comprised of two branches:

Military Personnel Law Branch: This branch will continue to process all questions submitted to us involving the entitlement of members of the Armed Forces to pay, allowances, retirement pay, leave, travel, transportation, and all other rights or benefits. Like our Transportation Branch, its workload has remained relatively constant in recent years. We anticipate this condition to continue in 1976, and accordingly we do not anticipate any increase in its professional staff strength.

Civilian Personnel Law Branch: This branch answers all questions addressed to it about the entitlement of civilian Federal employees to pay, leave, travel, transportation, and other rights, benefits, or allowances as these may be submitted by the Congress, agency or department heads, fiscal or disbursing officers, or individual claimants. Since fiscal year 1974, this branch has experienced a steady increase in the number and complexity of such questions presented to it. We are therefore seeking an additional man-year in fiscal year 1976 to enable this branch to maintain its tradition of timely service.

Special Studies and Analysis Branch: In 1976 Special Studies and Analysis will continue to provide a complete in-house counsel service to the professionals in GAO's various offices and divisions. This consists of furnishing an ongoing advisory service for the identification and resolution of legal problems or issues which may arise in the course of GAO's audit work It may also consist of completing special projects or assignments, as directed by the General Counsel, or in developing position papers in discrete areas of GAO law of broad applicability throughout the Government and of particular interest to the public in its relations with Federal agencies. Much of the caseload assigned to this branch stems from specific congressional requests or in the course of work mandated for GAO by the Congress; in fiscal year 1975, for example, 48 percent of its attorney time has been devoted to this class of legal matters.

Since we anticipate in fiscal year 1976 an increasing reliance on this branch by the various offices and divisions of GAO, we have requested an additional four man-years of professional effort to enable this branch to continue its present standard of timely service.

Conclusion: We have provided for a modest increase in the professional staff of the Office of the General Counsel to a level commensurate with the expanded workload expected. The increase which we have requested for fiscal year 1976 should enable us to meet our foreseeable caseload requirements and, particularly, will allow us to provide timely responses to calls upon us by the Congress.

ASSISTANT COMPTROLLER GENERAL FOR
POLICY, PROGRAM PLANNING, AND INTERNAL REVIEW

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	29	32	+3
	Other	8	8	-
	Consultant	(a)	(a)	-
	Total staff-years	37	40	+3
FIELD	Professional & technical	1	1	-
	Other	-	-	-
	Total staff-years	1	1	-
TOTAL	Staff-years	38	41	+3
	Positions at June 30	40	42	+2

[a]To be provided by Management Services Reserve.

SCOPE AND NATURE OF WORK PROGRAM

The functions of policy, program planning, and internal review are performed by offices which are under the direction and guidance of an Assistant Comptroller General who is responsible to the Comptroller General and Deputy Comptroller General for their operations. The responsibilities of each of these offices are described in the following paragraphs.

The Office of Policy is responsible for developing auditing policies, standards, and procedures for the guidance of GAO's operating divisions; conducting or sponsoring research in accounting and auditing theory, objectives, practices, and techniques; furnishing policy advice on accounting and auditing problems; and reviewing proposed reports for the Comptroller General's signature. It also advises and assists in developing operating policies and guidance for GAO's legislative, legal, claims, and administrative activities.

The Office of Program Planning is responsible for advising the Comptroller General in defining the immediate and long-range objectives and responsibilities of GAO and its principal organizational units, in determining relative emphasis, and in making decisions on the nature and direction of effort. This office is also responsible for translating the Comptroller General's decisions with respect to the above into planning guidance to GAO's divisions and offices, assessing and advising the Comptroller General on progress and problems experienced by GAO divisions and offices, monitoring and evaluating the operational planning of divisions and offices for compliance and consistency with established objectives and operating policies, advising and assisting the operating groups and divisions in developing and using effective planning, and conducting or sponsoring appropriate research and special studies to assist in decisions on level and direction of effort. The three staff-year increase is needed to effectively fulfill the above responsibilities, particularly as they relate to operational planning.

The Office of Internal Review is responsible for examining into the operations and performance of all divisions and offices of the General Accounting Office and preparing reports for the Comptroller General and the Deputy Comptroller General setting forth the findings, conclusions, and recommendations growing out of such examinations. Work performed by the Office of Internal Review in fulfilling these responsibilities includes evaluating performance under established policies, procedures, regulations, and laws and identifying ways of achieving more effective, efficient, and economical performance; examining and evaluating the extent and nature of compliance with prescribed Office policies, plans, and procedures; and reviewing the operation of the system of management controls over operations and resources to ascertain whether they are functioning in accordance with their design and in a manner which promotes effective, efficient, and economical Office operations. The Office of Internal Review also examines the accounts, financial transactions, and financial and other management reports and related control procedures from the standpoint of their reliability and usefulness.

A summary showing the planned application of professional staff resources for the activities of these offices during fiscal years 1975 and 1976 follows.

SUMMARY OF PLANNED PROFESSIONAL STAFF-YEARS

	FY 1975	FY 1976	Change
Assistant Comptroller General	1	1	-
Office of Internal Review	13	13	-
Office of Program Planning	7	10	+3
Office of Policy	9	9	-
Total	30	33	+3

ASSISTANT COMPTROLLER GENERAL FOR SPECIAL PROGRAMS

FUNCTION	FY 1975 STAFF-YEARS	FY 1976 STAFF-YEARS	CHANGE
A. IMMEDIATE OFFICE OF ASSISTANT COMPTROLLER GENERAL	9	10	+ 1
B. OFFICE OF PROGRAM AND BUDGET ANALYSIS	21	58	+37
C. OFFICE OF SPECIAL PROGRAMS	72[a]	95[a]	+23
D. OFFICE OF FEDERAL ELECTIONS	25[b]	-	-25
Total staff-years	127[a]	163[a]	+36
Positions at June 30	129	183	+54

[a] Includes Field staff-years as follows: 24 in FY 1975, and 34 in FY 1976. See page I-4.

[b] Includes 11 Field staff-years in fiscal year 1975.

SCOPE AND NATURE OF WORK PROGRAM

The Office of the Assistant Comptroller General for Special Programs is responsible for the activities of the Office of Special Programs, Office of Program and Budget Analysis, and Office of Federal Elections, each of which is discussed in this section.

The Assistant Comptroller General advises the Comptroller General as to the coordination, monitoring, and program development on a GAO-wide basis for work involving national issues dealing with energy and materials. He is also responsible for developing and coordinating GAO's efforts in carrying out the responsibilities assigned to this Office under the Congressional Budget and Impoundment Control Act of 1974. In this connection, he provides liaison with the Congressional Budget Office, the Department of the Treasury, and the Office of Management and Budget and with the appropriate committees of the Congress.

A. IMMEDIATE OFFICE OF ASSISTANT COMPTROLLER GENERAL FOR SPECIAL PROGRAMS

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	6	7	+1
	Other	3	3	-
	Consultant	(a)	(a)	-
	Total staff-years	9	10	+1
FIELD	Professional & technical	-	-	-
	Other	-	-	-
	Total staff-years	-	-	-
TOTAL	Staff-years	9	10	+1
	Positions at June 30	11	11	-

[a]To be provided by Management Services Reserve.

B. OFFICE OF PROGRAM AND BUDGET ANALYSIS

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	16	47	+31
	Other	4	10	+6
	Consultant	1	1	-
	Total staff-years	21	58	+37
FIELD	Professional & technical	-	-	-
	Other	-	-	-
	Total staff-years	-	-	-
TOTAL	Staff-years	21	58	+37
	Positions at June 30	36	66	+30

SCOPE AND NATURE OF WORK PROGRAM

The Office of Program and Budget Analysis (OPBA) was established by the Comptroller General on September 5, 1974, to serve as a focal point in GAO for providing analyses of budget issues in support of the congressional budget process.

The objective of OPBA is to expand the analytical information provided by GAO to the Congress for use in its deliberations on major budget issues. OPBA has been assigned specific responsibility for identifying and analyzing major budget alternatives. The analysis is intended to highlight the important economic and program implications of choices available to the Congress with respect to the overall budget and the allocation of resources among major functional program areas.

OPBA will particularly seek to provide the Congress with integrated analysis, timed to mesh with the budget process, which incorporates information relevant to that process developed by GAO through its program audits. This will require OPBA to maintain effective liaison with other elements of GAO, with the Congressional Budget Office, with the Congressional Research Service, and with the appropriate committees of the Congress.

The following summary shows the planned application of Washington professional staff resources to the functions of OPBA during fiscal years 1975 and 1976.

Area of responsibility	Staff-years FY 1975	FY 1976	Change
Economic Analysis Staff	5	16	+11
Budget Issue Analysis Staff	11	30	+19
Office of Director	1	2	+1
Total	17	48	+31

The proposed increases include annualization of staff employed for only part of fiscal year 1975 and the development in greater depth of staff specialization in budget functional categories.

OPBA will have two closely-related major lines of effort: (1) economic analysis and (2) budget issue analysis.

The economic analysis staff will focus on developing analyses of the economy and the impact of Federal programs on the economy--particularly in the light of information and findings developed in GAO audits and investigations. This analysis will deal with these factors in the aggregate and in relation to various sectors, geographic regions, and population groups.

The budget issue analysis staff will focus on the extent to which functional components of the budget can be changed and on the program implications of such changes, thereby highlighting the choices available to the Congress. This staff will have primary responsibility for liaison with other elements of GAO and for assuring that relevant information available through GAO's program audits is incorporated in the analysis of budget issues and is provided to the Congress systematically.

Initial work in fiscal year 1975 has emphasized developing the basic capability to carry out the mission of the office. This includes the recruitment of core staff, the development of a basic capability for aggregate economic analysis, the development of a framework, and the development of methodology for identifying and analyzing budget issues and the establishment of liaison with other elements of GAO and other agencies.

For the balance of fiscal year 1975 and in 1976, emphasis will be placed on broadening and deepening the capability which now exists so that GAO, through OPBA, can be supportive of all elements of the congressional budget process where this capability would facilitate the work of the Congress.

Special attention will be given to insuring that OPBA complements the analytical resources available to the Congress from other sources, such as the Congressional Budget Office and the Congressional Research Service. In this way, the Congress will have at its disposal the objective analysis of a broad range of budget choices, further enhancing its ability to make informed judgments among those alternatives.

C. OFFICE OF SPECIAL PROGRAMS

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	39	51	+12
	Other	6	7	+1
	Consultant	3	3	-
	Total staff-years	48	61	+13
FIELD	Professional & technical	22	30	+8
	Other	2	4	+2
	Total staff-years	24	34	+10
TOTAL	Staff-years	72	95	+23
	Positions at June 30	82	106	+24

SCOPE AND NATURE OF WORK PROGRAM

The Office of Special Programs (OSP) is responsible to the Assistant Comptroller General for Special Programs for the following principal functions.

--GAO-wide planning and coordination of energy, food and materials activity, including related environmental impacts.

--Conduct of special studies in these areas.

--Regulatory agencies' reports review and information system evaluation.

While growing congressional and public concern over energy and other shortage problems led to its establishment in December 1973, the new office is also responsible for our reviews of the information collection activities of Federal regulatory agencies.

The following summary shows the planned application of Washington and field professional staff resources during fiscal years 1975 and 1976 to the functions of this Office.

	Staff-years FY 1975	FY 1976	Change
Area of responsibility			
Energy Staff	50	60	+10
Food/Materials Staff	3	11	+8
Regulatory Reports Review Staff	7	9	+2
Office of Director	4	4	-
Total	64	84	+20

The proposed increase of 23 staff-years consists of 20 professional staff and 3 supporting staff. The increases will be applied primarily to (1) increasing our efforts in policy analysis and the development of advisory information in the energy, food and materials areas, (2) increasing our evaluation efforts of Federal energy programs, particularly in the field offices, and (3) increasing our efforts in reviewing Federal regulatory agencies' information-gathering systems.

Energy Staff

The Energy Staff of OSP is the focal point within GAO for energy matters. Its responsibilities include:

--Development of overall GAO objectives and plans for dealing with energy-related matters.

--Monitoring and coordinating our energy-related work.

--Taking a lead role in major, multiagency work related to energy.

--Audit and liaison responsibility for the Federal Energy Administration.

--Monitoring and evaluating Federal energy data collection and analysis activities.

The Energy Staff is making a long-term commitment to better planning in the energy field. Planning information will be developed to both

--help GAO divisions select audit assignments and

--provide perspective to those congressional committees considering energy legislation and having oversight for energy-related Federal programs.

The end products of our initial planning efforts will be a series of "Energy Advisories" concerning major elements of the energy problem. The four areas selected for initial emphasis are energy conservation, energy research and development, Federal proprietorship of energy resources, and energy data collection and analysis.

The basic purpose of the Advisories will be to (1) develop a bibliography of the key literature relative to the identified subject area, (2) serve as a primer on selected elements of energy problems, (3) identify key problems, (4) identify alternative solutions to them, and (5) consider the tradeoffs involved in selecting among the various alternatives, including energy-environmental tradeoffs.

Another aspect of this effort is our monitoring of the Federal Energy Administration's actions concerning Project Independence--the attempt for the United States to become self-sufficient in energy by 1985 or some later date. Obviously, if this goal is to be achieved, considerable research and development and planning effort in the energy area will have to be mounted.

The Federal Energy Administration (FEA) Act of 1974 requires the Comptroller General to monitor and evaluate the operations of FEA, including its reporting activities. This mandate requires studies of policies and practices and evaluations of projects and programs. Since FEA was established to serve as the focal point for energy policy to insure a coordinated and effective approach to overcoming energy shortages, it is extremely important that we maintain active oversight of how FEA carries out its responsibilities.

We will take the lead role in selected major energy studies. For example, we are undertaking a study of various issues--social, economic, environmental, and political--which bear on ultimate acceptance of the Liquid Metal Fast Breeder Reactor as a commercially viable energy alternative.

While the Energy Staff is the focal point for energy matters in GAO, the pervasive nature of energy problems, including the fact that virtually all portions of Government are directly affected, requires the heavy involvement of all portions of GAO. During fiscal year 1974, five divisions and nearly every regional office participated in energy-related assignments--about 80 staff-years of effort were used and 20 energy-related reports were issued. It is essential that we have an effective coordination and monitoring function.

Food/Materials Staff

The Food/Materials Staff is the focal point of review for policy initiatives affecting food and materials. It will:

--Assist in the development of overall plans and objectives for GAO efforts in the food and materials fields.

--Monitor and coordinate GAO's review of public policy issues and actions affecting national food and materials resource capabilities.

--Take a lead role in major multiagency work assignments affecting food and materials-resource development and utilization.

--Evaluate data and information management systems appropriate to timely decision-making for future food and materials-resource development.

The demand for materials has grown to the extent that the United States is experiencing difficulty in obtaining reliable supplies of materials at reasonable prices. Within the international and domestic scene, new developments have changed costs and production opportunities in the materials area.

Recent initiatives abroad concerning energy availability and cost have directly affected production options for a broad range of nonenergy materials. Aside from these international concerns, conditions of commodity supply are currently subject to a variety of dynamic domestic pressures. Most significant are recent initiatives to accommodate economic growth objectives while protecting the environment within which the growth occurs. The

goal of environmental protection interacts strongly with commodity production and supply. The Materials Staff will work to expand its review and monitoring of the environmental implications and tradeoffs as they relate to material supply and utilization.

The emergence of food scarcity in the 1970's fundamentally changed the environment within which U.S. food policy operates. The vast array of producer income maintenance programs, key elements of welfare assistance, major components of international economic assistance and export development programs evolved in an era of agricultural surplus. Many of these programs will need revisions in the light of recent events. Review planning will seek to develop analyses which would reveal alternatives for promoting systems stability in the face of pressures associated with supply uncertainty, and which would enable a clearer evaluation of benefits and costs as we simultaneously pursue both domestic and international food policy objectives.

The emergence of a coherent Federal approach to food and materials questions is complicated by the fact that responsibilities are diffused among Federal agencies and a variety of formal and ad hoc committees and advisory groups. At present, some 50 departments and agencies of the Federal Government have responsibilities in the materials area. In many instances, the scope of activity of these departments and agencies is specialized and limited. Since responsibility for administering programs impacting on materials transcends many Federal departments and agencies, audit responsibility within GAO affects a number of divisions. These circumstances make it essential that GAO has an effective coordination and monitoring function.

In order to come to grips with these complex issues affecting food and materials availability and utilization, we will take a lead role in multiagency work and encourage individual agency work by other divisions relating to this area. In doing so, due recognition will be given to energy and the environmental considerations.

Regulatory Reports Review Staff

Section 409 of the Alaska Pipeline Bill (Public Law 93-153) amends the Federal Reports Act of 1942 to require GAO to review the collection of information by independent Federal regulatory agencies to insure that information required by such agencies is obtained with a minimum burden upon business enterprises, especially small business enterprises, and persons required to furnish the information. One specific function assigned to GAO is to review and clear certain new or revised information collection proposals under U.S.C. 3512 (c) and (d).

There are currently 12 agencies whose information-gathering requirements are subject to clearance. These 12 agencies have between 600 and 700 active clearances from the Office of Management and Budget which must be reviewed and renewed every 3 years and new information-gathering requirements are continually being added. Changes to existing active clearances are also being submitted for clearance.

Between November 16, 1973, and the end of the fiscal year, we received 96 requests from the various agencies for approval of a proposed reporting or recordkeeping requirement. Several of these requests were given only a cursory review because the 45-day review time limit imposed by law was about to expire. At June 30, 1974, 79 clearances had been granted and 17 were pending.

We are also responsible for reviewing all information-gathering practices for independent regulatory agencies with a view toward (1) avoiding duplication of effort by these agencies and (2) minimizing the compliance burden on business enterprises and others. To accomplish this, we have designed a conceptual framework for the development of a reporting requirement to be used as a basis for reviewing the effectiveness of each agency's development process. Our reviews will include analysis of agency actions on individual forms, surveys, questionnaires, and record-keeping requirements that are intended to control the quality of such items.

D. OFFICE OF FEDERAL ELECTIONS

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	9	-	-9
	Other	5	-	-5
	Consultant	-	-	-
	Total staff-years	14	-	-14
FIELD	Professional & technical	10	-	-10
	Other	1	-	-1
	Total staff-years	11	-	-11
TOTAL	Staff-years	25	-	-25
	Positions at June 30	-	-	-

SCOPE AND NATURE OF WORK PROGRAM

The Federal Election Campaign Act Amendments of 1974 (Public Law 93-443, approved Oct. 15, 1974) established the Federal Election Commission to administer the Federal Election Campaign Act of 1971 (Public Law 92-225).

The amendments provide that the Comptroller General will continue to carry out his responsibilities under title I and title III, until the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives have met with the Commission and arranged for the transfer. Within 30 days of the date on which all members of the Commission and the General Counsel are appointed, copies of all appropriate records, documents, memorandums, and other papers associated with carrying out responsibilities under titles I and III will be transferred.

Following passage of the new law, GAO began to prepare for phase out of the responsibilities and activities of the Office of Federal Elections. As the various OFE activities are phased out, resources budgeted to carry out these activities are being reallocated to other areas and activities for which the Comptroller General has been given new or additional responsibilities.

PUBLIC REFERENCE AND REPORTS CONTROL

This section provides the public with information relating to the Federal Election Campaign Act of 1971 and the Presidential Election Campaign Fund Act. It also establishes responsibility for receiving, processing, maintaining, and making available for public inspection the financial disclosure reports and statements filed by candidates for the Office of President and Vice President and political committees supporting them. Facilities are provided for the working press and the public to comfortably inspect the reports and copy information from them. We anticipate that transfer of materials, documents, and files to the Commission will be completed by April 1975.

REPORT ANALYSIS AND INVESTIGATION

This activity has involved the greatest number of Office of Federal Elections employees and accounts for almost all travel. This provided for audits of all national committees, all State major party central committees, and a significant sample of other reporting committees.

During fiscal year 1974 the staff completed and issued reports on 221 audits and investigations for a total of 261 reports. An additional 150 audits with 135 reports, and 43 close out letters, were completed in fiscal year 1975. No activity is planned in fiscal year 1976.

CLEARINGHOUSE FOR INFORMATION ON ADMINISTRATION OF ELECTIONS

The Comptroller General established a Clearinghouse on Election Administration in the office pursuant to section 308(c) of the Federal Election Campaign Act of 1971. The Clearinghouse is directed by the act to make contracts for independent studies of election administrative problems. Copies of reports on these studies are printed by the office and distributed to interested election officials.

The responsibility for monitoring of the contracts and issuing the reports on studies that are under way, but not completed will be transferred to the Commission. This transfer is expected to be completed by April 1975.

No activity is planned in fiscal year 1976 except for the monitoring, receipt and acceptance of reports required under existing contracts which are not due to be completed until fiscal year 1976.

The following schedule shows the application of professional resources during 1975 to fulfill the obligations of the Comptroller General.

	Staff-years		
	FY 1975	FY 1976	Change
Area of responsibility			
Director's Office	1	-	-1
Reporting Processing and Control	1	-	-1
Report Analysis and Investigation	15	-	-15
Reports by the Comptroller General (Automatic Data Processing Planning)	1	-	-1
Clearinghouse on Election Administration	1	-	-1
Total	19	-	-19

FEDERAL PERSONNEL AND COMPENSATION DIVISION

		FY 1975	FY 1976	Change
HEADQUARTERS	Professional & technical	87	95	+8
	Other	14	17	+3
	Consultant	a	a	-
	Total staff-years	101	112	+11
FIELD AND OVERSEAS	Professional & technical	138	140	+2
	Other	14	16	+2
	Total staff-years	152	156	+4
TOTAL	Staff-years	253	268	+15
	Positions at June 30	261	285	+24

[a]To be provided by Management Services Reserve.

SCOPE AND NATURE OF WORK PROGRAMS

The Federal Personnel and Compensation Division is responsible for carrying out auditing, investigative, and reporting functions with respect to the management and pay of Government uniformed and civilian employees and retirees. The Washington staff of the division performs its functions with assistance from the staffs of the regional offices of the Field Operations Division and the overseas branches of the International Division.

The division directs its work into those areas of known congressional interest where it is believed that improvement in the management of the Federal work force can be achieved. Major objectives of the division's work include:

--Stimulating improvements in the methods employed by Federal agencies to determine their personnel needs and the means used by the agencies to fill those needs.

--Encouraging effective and efficient use of the Federal work force and the development of the work force through programs of training, education, and career development.

--Assessing the bases and processes for determining the compensation of Government civilian employees and military personnel.

--Promoting effective employee relations practices in the Federal Government.

Our audit plans, reflected in the following pages of this section, are subject to adjustment due to a number of factors, most notably requests from committees and Members of Congress for reviews of specific programs and activities concerning the management and compensation of Federal employees. The proportion of our total work effort related to congressional assistance requests has risen markedly during the past several years. During fiscal years 1973 and 1974 and the first one-third of fiscal year 1975, our direct congressional assistance work represented 4.9 percent, 39.0 percent, and 55.4 percent, respectively, of our total work effort. Other factors affecting our audit plans include availability of staff and requirements for other special assignments.

The following schedule shows the planned applications of Washington and field professional and technical resources during fiscal years 1975 and 1976 to those areas for which the Federal Personnel and Compensation Division is responsible.

	Area of Responsibility	Staff-years FY 1975	FY 1976	Change
A.	Requirements	45	49	+4
B.	Development and utilization	57	71	+14
C.	Compensation	39	36	-3
D.	Employee relations	72	67	-5
E.	Congressional affairs	4	4	-
F.	Audit program direction	8	8	-
	Total	225	235	+10

The following sections describe the division's areas of responsibility and work plans for fiscal years 1975 and 1976.

A. REQUIREMENTS GROUP

The Requirements Group considers those programs and activities concerned with (1) determining personnel requirements, allocations, and staffing levels, (2) work force sources, and (3) personnel accessions, recruiting, and testing.

Requirements determinations, allocations and staffing levels

The management of most of the civilian and military manpower (space) requirements in the Government has been increasingly arbitrary over the past few years because of the response of the officials to budget needs.

Our reviews have shown that each Federal agency, during the formulation of the budget, determines how many personnel are needed to accomplish the agency mission. Military personnel are related to the international situation and treaty commitments. Civilian personnel are related to anticipated workload which is justified by citing quantitative and descriptive data. The budget requests of most agencies receive three major external reviews: by the responsible department, by the Office of Management and Budget, and by the Congress. The impact of fiscal year 1974 and 1975 budget reviews was that generally agency managers were forced to assign personnel to the most demanding priorities and then to distribute the remaining manpower spaces to other areas, so as to balance the shortage in spaces among suborganizations.

We are programing work to look at all phases of these systems for authorizing military and civilian manpower requirements. We are emphasizing (1) the systems used to determine original and final requirements and the validity of data and procedures used in such systems and (2) the possibilities of reducing subjective and arbitrary judgments, including organizational assumptions, and increased use of validated standards and measurements related to specific functions and objectives.

Work force sources

Most Federal functions are performed by full-time civilian employees, military personnel, or commercial contractors. This effort is augmented by part-time civilian employees, consultants, and overtime of the regular work force. The three external budget reviews described above have encouraged many agencies to contract out for services as a result of sharply decreasing personnel allowances yet maintaining the same or slightly decreasing the overall level of agency operations.

Office of Management and Budget Circular No. A-76 governs the question of selecting commercial or in-house resources. We have reported on the need for better management by civil and defense agencies in selecting these resources.

We are programing work aimed at getting the agencies to improve this selection through disciplined procedures assuring (1) application of cost/effectiveness criteria and (2) flexibility in using contract, civilian, and/or applicable military manpower so as to achieve the most economical and effective balance.

Accessions, recruiting, and testing

Military and civilian personnel are recruited, tested, and hired in large numbers by the Federal Government. Our objective in this area is to determine whether recruiting practices are fair to all citizens and are designed to obtain the best available people.

In July 1974 we issued a report on the effectiveness of Federal practices for examining candidates for civilian employment. This report was critical of some of these practices.

We have under way a review of the procedures and practices used by a number of agencies to recruit civilian employees. This review is limited to general schedule (white collar employees). We also have under way a broad scale review of military recruiting involving all four services and a review of the recruiting of women by the military services.

Future work in this area includes examining (1) systems for hiring white collar employees in terms of selection sources and effectiveness in meeting quality objectives and (2) recruiting of special category groups, including blue collar workers, summer hires, temporary employees, and foreign nationals.

B. DEVELOPMENT AND UTILIZATION GROUP

The Development and Utilization Group is involved with Government programs and activities affecting military personnel and Federal civilian employees in the areas of career development and manpower management.

Career development

In this area we review career development programs to determine their role in meeting agency manpower needs and increasing organizational and employee effectiveness.

Career development programs should aid employees to reach their maximum potential through sound planning, counseling, training and education, and work assignments and to effectively meet Federal program goals.

In the Defense Department our past efforts have been directed to achieving increased economy through using interservice training programs, consolidating training activities, and improving training management. In the civil departments and agencies, our efforts have been directed to improving the planning, programing, and budgeting functions of the training process and the overall administrative programs of the Civil Service Commission.

A major review is under way covering the service academies' costs, attrition rates, and academic/military programs. We are examining a series of possibilities for additional economies through consolidation of a greater variety of common defense training activities. Reviews are being completed on the feasibility of consolidating chaplain schools and programs to train fixed-wing pilots and navigators.

Our ongoing work in civil agencies is concerned with the effectiveness of (1) training evaluations and (2) training first line supervisors. We are completing reviews of the Intergovernmental Personnel Program administered by the Civil Service Commission and the President's Executive Interchange Program administered by the President's Commission on Personnel Interchange.

Plans for future work include examining (1) the use of simulators in Navy surface ship and submarine training programs and the use of other training innovations in the Department of Defense, (2) the roles and responsibilities of the Civil Service Commission and civil agencies in guiding effective career development programs, (3) civil agencies' programs for identifying managerial potential and the followup preparation and implementation of individual career plans, (4) the cost and effectiveness of non-Government short-term training, and (5) the need for training programs for project directors who administer grants or contracts.

Manpower management

Prudent management of the Federal work force is essential to improve productivity and to execute effectively, efficiently, and economically the programs and activities approved by the Congress. With increased productivity at less cost becoming a national economic priority, substantially all the work we plan is directed to the review of management policies, programs, and practices which either enhance or inhibit increased productivity.

We have reported to the Congress on the effects of arbitrary reductions in the work force without corresponding reductions in workload and on inequities which resulted from inconsistent interpretation and application by agencies of Civil Service Commission regulations for reducing employment. We have also reported to the Congress our evaluation of selected management tests which used fiscal controls instead of personnel ceilings. We have made limited studies of assistance provided displaced employees and early retirement of employees displaced because of reductions in force.

We have under way a review of the management of the military rotation system, particularly those policies and practices which impede effective and stabilized use of military manpower. We are examining the Army's capability to insure the timely availability of required military manpower for a major combat unit. We are studying (1) policies and programs of the military departments to identify and expeditiously discharge marginally performing military personnel and (2) programs and practices which either enhance or inhibit effective utilization of large numbers of non-high-school graduates and mental category IV military personnel. We are beginning to perceive inequities and inconsistencies in the administrative discharge systems of the military services that merit management attention.

We have work under way to assess (1) the feasibility of increasing the use of part-time employees in Federal agencies and (2) the use of experts and consultants to supplement the Federal work force.

We are identifying the extent, relevancy, and effectiveness of human resources research and development programs. This work currently is limited to programs in the Department of Defense. We have under way a broad study of satisfaction/dissatisfaction indicators in the civilian work force which will lead to future reviews in the areas of work force attitudes and motivation impacting on productivity.

Our future work will be concerned with the cost/effectiveness of the utilization and assignment process. We plan to review the management environment in civil agencies, ranging from basic personnel utilization policies and practices through retention and flexibility in the composition of the work force. The entire field of human resources research and development merits review, particularly in the communication and application of productivity-enhancing technology for civilian employees.

C. COMPENSATION GROUP

The Federal civilian and military work force numbers about 5 million, with an annual cost to the Government of about $63.5 billion in direct compensation and personnel benefits. There are many pay systems, schedules, and authorities used to compensate Federal employees.

The Compensation Group is responsible for reviewing compensation of Federal civilian and military personnel. The reviews include examinations into (1) the standards and processes for determining the various elements of compensation (including salary, incentive and premium pay, various allowances, and fringe benefits) under the various salary and pay schedules, (2) the structure and design of the salary and pay schedules, and (3) various aspects of compensation administration.

Civilian compensation

In general, Federal pay rates are governed by the principle of comparability with pay in the private sector and are established by administrative action. We are assessing civilian compensation and pay practices in relation to the non-Federal sector and to the Government's needs. Our studies include examining (1) the standards and processes for determining pay rates and (2) the designs of the various pay schedules.

We are currently reviewing the white-collar salary system which includes:

--Design and conduct of the annual survey of non-Federal salaries used for assessing and adjusting Federal white-collar salaries. We issued a report on this phase of the review to the Congress in May 1973.

--The process of translating private enterprise salary data into Federal salary rates, i.e., evaluating the tradeoffs between external equity (comparability with non-Federal salaries) and internal equity (pay distinctions in keeping with work distinctions, another pay principle) in establishing pay rates. We issued a report on this phase to the Director, Office of Management and Budget, and the Chairman, Civil Service Commission, in July 1974.

--The structure of the salary schedules, i.e., monolithic schedules versus occupational schedules and national versus local salary rates. We plan to issue a report to the Congress during fiscal year 1975.

We are also reviewing:

--The blue-collar (trade craft and laboring occupations) pay determination processes; there are about 600,000 blue-collar employees with a payroll cost of about $5.4 billion a year.

--Comparison of Federal fringe benefits with non-Federal sector benefits.

--The effectiveness of the management and control of position classification for General Schedule employees.

During fiscal years 1975 and 1976, we plan to initiate studies of the executive pay system and other civilian pay systems, including blue-collar supervisory, Government Printing Office, Bureau of Engraving and Printing, Postal Service, nonappropriated-fund activities, teachers (domestic and overseas), and foreign nationals. We also plan to review (1) cost-of-living allowances, (2) administration of special rates to deal with retention and recruitment problems, (3) retirement benefits including administration of disability retirement provisions and automatic annuity adjustment provisions, and (4) position classification systems for blue-collar employees and Foreign Service.

Military compensation

The uniformed services number about 2.2 million, with a total compensation cost of approximately $27 billion annually. The compensation system for the uniformed services is a base pay and allowances system as opposed to the salary system found generally throughout the remainder of the economy.

During fiscal year 1974 we reported to the Congress on the effectiveness of enlisted attractions and retention incentive pays. We also reported to the Congress on the method of determining military pay increases when a pay raise under the comparability process is granted Federal employees of the General Schedule.

During fiscal years 1975 and 1976 we plan to (1) assess the need to place the military on the same entitlement for per diem (sliding scale) as the civil service, (2) examine apparent deficiencies in administering the quarters allowance, (3) examine subsistence allowances, (4) examine disability retirement entitlements, (5) assess the effectiveness of the various attraction and retention incentive bonuses and special pays, and (6) review the administration of military leave. We also plan a major review on the need for military pay reform which will include identifying the factors which need to be considered in converting the military to a salary system of compensation.

D. EMPLOYEE RELATIONS GROUP

The Employee Relations Group reviews those personnel programs which relate to the human factors and needs of Federal employees. These include such programs as (1) labor-management relations, (2) equal employment opportunity, (3) morale, welfare, and recreation activities, and (4) other employee programs and social responsibility programs.

Labor-management relations

The Federal Government carries out a labor-management relations program as prescribed in Executive Order 11491, as amended. The purpose of the program is (1) to provide employees, through designated union representatives, a bilateral means of helping to formulate personnel policies and practices affecting their working conditions and (2) to improve employee performance, thereby improving the efficiency of Government operations. Of the 2.3 million Federal civilian work force, this program impacts on 56 percent who are represented by labor organizations.

Collective bargaining may impact on virtually every facet of personnel management. The program is under scrutiny by the Congress and the Federal Labor Relations Council.

During fiscal year 1974, we evaluated and commented on three comprehensive labor-management relations bills, studied and reported on Hawaii's labor relations program, evaluated the potential for using altered work schedules for Federal employees, and reviewed the relations between U.S. agencies and their foreign national employees. We are currently evaluating the system for resolving labor-management relations disputes by the Assistant Secretary of Labor for Labor-Management Relations.

During fiscal years 1975 and 1976 we will stay abreast of controversial issues, such as the right to strike and union security arrangements. We plan to examine into permissible subjects for collective bargaining, assess the timeliness and effectiveness of the third-party machinery, and review the potentially overlapping jurisdiction of arbitrators and other authorities.

Equal Employment Opportunity

The Equal Employment Opportunity (EEO) Act of 1972 requires the Government to provide equal opportunity in Federal employment for all persons and to prohibit discrimination because of race, color, religion, sex, or national origin. Each Federal agency must have an affirmative action plan to insure that such opportunity is provided. Various other laws and executive orders have also directed agencies not to discriminate on the basis of politics, physical handicaps, age, or marital status. The Civil Service Commission is responsible for (1) reviewing and approving agencies' EEO affirmative action plans and (2) reviewing and evaluating operations of EEO programs and publishing progress reports. Military personnel are not subject to the EEO Act but are subject to DOD and military service regulations which adopted the concept of equal opportunity.

We have reviewed the Government's upward mobility program, the NASA EEO program, and selected Army EEO discrimination complaint systems. We are currently reviewing the Federal Government's affirmative action plans and EEO hiring practices.

During fiscal years 1975 through 1976 we plan to examine EEO management information needs; agency affirmative action plans; EEO in hiring, training, and promotions; discrimination complaint systems; impediments to EEO; the cost effectiveness of EEO programs; and the progress made by the military services in insuring equal opportunity to uniformed personnel.

Social responsibility programs

A number of Federal employee programs, either required by legislation or undertaken voluntarily by agencies, support the quality of life in society and improve employee welfare, while contributing to the performance of agency missions. These programs are the subject of current and increasing interest in Congress and include incentive awards, adverse action and appeals, domestic and civic actions, retraining and rehabilitation, counseling services, conflicts of interests, invasions of privacy, employment of the handicapped and ex-public offenders, reduction of crime, occupational safety, and the military code of justice and its judicial process.

During fiscal year 1974, we reported on the effectiveness of the Government's incentive awards program, the design and administration of the adverse action and appeals system, the Department of Defense domestic action program, and the recharacterization of less than honorable discharges of military personnel for drug use.

During fiscal years 1975 and 1976, we plan to review retraining and rehabilitation of confined military personnel, uses made of data recorded on service members reports of separation from active duty, educational programs for dependents of U.S. personnel stationed overseas, enhancing Federal employment of the handicapped and rehabilitated public offenders, preretirement counseling of Federal employees, the accessibility of Federal buildings to handicapped persons, conflicts of interest, invasion of privacy, effect of seniority rules on promotions and lay offs as they affect minority groups, and the military justice system.

Morale, welfare, and recreation activities

The extent of our effort in this area will expand significantly now that Congress has provided legal authority for GAO to audit nonappropriated funds.

Morale, welfare, and recreation activities influence the recruitment, retention, and productivity of Federal employees, particularly military personnel. The Department of Defense operates most of these activities, primarily with nonappropriated funds generated from the sale of goods and services to authorized personnel. In recent years these sales have exceeded $6 billion annually, mainly from exchange and commissary stores. There are several thousand open messes, clubs, special services and welfare activities which also generate revenues and offer a wide variety of services. Appropriated fund support provided to nonappropriated fund instrumentalities amounts to hundreds of millions of dollars in facilities, utilities, transportation, and assigned military and civilian personnel.

Complete figures showing the full magnitude of these activities are not maintained. However, in 1972 it was reported that facilities used by all activities cost over $5 billion and that the work force was about 300,000 full and part-time military and civilian employees.

During fiscal year 1974 we reported on the Uniformed Services Savings Deposit Program which was then discontinued resulting in annual savings of appropriated funds of over $25 million.

We are currently reviewing the management and controls over alcoholic beverage operations and central fund nonappropriated monies, the operation of and justification for commissary stores, and the use of military personnel at recreation activities.

During fiscal years 1975 and 1976 we plan to review (1) the extent to which resale activities in the Department of Defense compete with military exchanges and the effect this has on prices and the ability of exchanges to support welfare and recreation programs, (2) the necessity for maintaining large amounts of liquid nonappropriated assets in the recreation and welfare systems, (3) subsidizing certain recreation programs when Government patrons appear to be able to support them, (4) contracting practices of military exchanges and their ability to achieve uniform retail pricing, and (5) the commingling of commissary store and troop issue functions in the Army and Air Force.

FINANCIAL AND GENERAL MANAGEMENT STUDIES DIVISION

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	218	250	+32
	Other	32	34	+ 2
	Consultant	4	4	--
	Total staff-years	254	288	+34
FIELD AND OVERSEAS	Professional & technical	144	146	+ 2
	Other	16	17	+ 1
	Total staff-years	160	163	+ 3
TOTAL	Staff-years	414	451	+ 37
	Positions at June 30	457	469	+ 12

SCOPE AND NATURE OF WORK PROGRAM

The Financial and General Management Studies Division (FGMSD) is responsible to the Comptroller General for the following principal functions:

--Helping Government agencies develop accounting systems that meet the principles and standards prescribed by the Comptroller General.

--Reviewing agency accounting systems in operation for conformity with the Comptroller General's accounting principles and standards and settling the accounts of accountable officers, except for military disbursing officers.

--Reviewing automatic data processing activities or programs on a Government-wide basis.

--Providing expert technical and advisory services in the fields of automatic data processing, systems analysis, actuarial science, and statistical science.

--Establishing and testing methods of program evaluation and helping committees define their needs in legislation for evaluation.

--Providing leadership in carrying out GAO's responsibilities under sections 201 through 204 of the Legislative Reorganization Act, as amended by the Congressional Budget and Impoundment Control Act of 1974.

--Improving the usefulness and accessibility to the Congress of fiscal, budgetary, program-related, and program evaluation information and data.

--Performing continuing studies related to developing and disseminating audit and accounting standards and methodologies.

--Representing GAO in the Joint Financial Management Improvement Program.

The following summary shows the planned application of Washington and field professional staff resources during fiscal years 1975 and 1976 to the functions of this division.

Area of responsibility	Staff-years FY 1975	FY 1976	Change
A. Financial management	66	69	+3
B. Systems in operation	74	78	+4
C. Automatic data processing	37	40	+3
D. Technical assistance	79	82	+3
E. Congressional Information Service	66	90	+24
F. Audit standards	32	28	-4
G. Office of the director	8	9	+1
H. Consultants	4	4	0
Total	366	400	+34

Of the proposed increase of 34 staff-years, 24 staff-years (71 percent) will be devoted to improving the usefulness and access to fiscal, budgetary, and program-related information and data for the Congress as provided under the Legislative Reorganization Act of 1970, as amended by Public Law 96-344.

The remaining increases in staff-years will be applied to (1) approving the designs of accounting systems of executive agencies, (2) reviewing accounting systems in operation, (3) making studies leading to the modification of Government-wide policies regarding automatic data processing, and (4) providing technical assistance to our auditors in the fields of automatic data processing, systems analysis, actuarial science, and statistical sampling.

A. FINANCIAL MANAGEMENT

Under this responsibility area we have one major line of effort, the approval of accounting systems. The result sought is to meet the Comptroller General's goal of approving all Federal agency accounting systems by the end of fiscal year 1980. To achieve this goal we must review and approve more than 160 systems designs in the next 6 years.

Of the 284 accounting systems subject to approval as of July 1, 1974, statements of principles and standards had been approved for 98 percent of the systems. However, designs had been approved for only 43 percent of the accounting systems.

We have made major progress in the approval of designs of accounting systems in the two most recent fiscal years, approving 15 systems in 1973 and 25 systems in fiscal year 1974. We expect this progress to continue as we effectively utilize our improved review guide and regional personnel in those regions where agency systems are being designed.

B. SYSTEMS IN OPERATION

Review of accounting systems in operation

The objectives of this line of effort are to review each agency accounting system or portion thereof, about every 10 years, and to settle the accounts of accountable officers. These reviews range from limited reviews, made shortly after a system design has been approved to determine only whether the approved design has been effectively implemented, to comprehensive reviews of both approved and unapproved systems.

At June 30, 1974, 284 accounting systems had been defined by the executive agencies and the District of Columbia. We estimate that, by June 30, 1976, we will have examined about 90 of these systems. We will continue our surveillance over agency internal audit of financial management activities, including accountable officer functions. The increased resources planned for fiscal year 1976 will be applied primarily to reviews of recently approved systems to determine whether they have been properly implemented.

Financial management issues

This line of effort includes multisystem, multiagency, and Government-wide reviews of financial issues and problems that have a real effect on costs, revenues, or services provided and all congressional requests.

Although it is not possible to specify the number or nature of the specific issues that we will pursue in fiscal year 1976, since issues come to our attention largely through reviews of systems in operation, we plan to program about one-third of the resources allocated to the Systems in Operation Group into this line of effort.

Examples of financial management issues reviewed and recently reported follow:

--Unnecessarily large cash-on-hand balances were being maintained at overseas military installations. Responsible Defense officials at overseas activities reduced the balances by $59 million and improved their controls.

--The Department of Defense was not recovering full costs to the Government of producing weapons for sale to foreign governments. We are continuing to review this area to insure that adequate action is taken.

--Significant costs of maintaining unutilized and underutilized mobilization-essential plant and equipment at industrial fund activities were not being identified and separately funded through appropriations as required by Defense policy. Action is being taken to more effectively implement this policy.

Another issue which we reported to the Congress was the need for the Treasury Department to return to owners over 700,000 savings bonds with an estimated face value of $50 million held in safekeeping for veterans and others. This issue was the subject of hearings by the Subcommittee on Legal and Monetary Affairs, House Government Operations Committee on August 8, 1974.

C. AUTOMATIC DATA PROCESSING (ADP)

Integrating ADP into Other Divisions' Plans and ADP Training

This division has been assigned responsibility for a number of areas in ADP, including planning GAO-wide resource requirements, reviewing the technical adequacy of other divisions' work plans, planning and executing Government-wide policy reviews, and specifying ADP training for the Office as a whole. Responsibility for the execution of these tasks rests with a number of groups within FGMSD, and some of the work is done jointly with other divisions. Since these areas are all interrelated, FGMSD's ADP group serves as the "integrating mechanism" and acts as a focal point to bring together the efforts of the Technical Assistance Group, research and development, training, and other divisions' ADP work.

Currently, techniques and auditing approaches are shared among divisions at monthly ADP liaison meetings sponsored by FGMSD. Our plans are that these meetings will be expanded and become the major input into the development of a long-range GAO-wide ADP plan.

We consider ADP auditing a part of each review and not as a separate or special review. Our efforts are directed mainly to developing the tools staff members can use when making reviews and helping them acquire skill levels through training.

This division has joined with other divisions and regional offices in making full-scope ADP installation audits, with emphasis on ADP contribution to agency objectives. As a result of these reviews, FGMSD in association with other divisions--will develop a manual which can be used by staff members when making similar reviews.

Plans are now under way to develop, test, and implement a systematic approach for other divisions to integrate ADP into all audit assignments in which ADP is an integral part of the operation being audited. Our first effort in this area will be to develop a method which will give the auditor a basis for determining the reliance which can be placed on ADP products.

ADP training will be provided at three levels--basic, advanced, and specialized. Over 160 of our staff, have had advanced training with another 40-50 per year planned for fiscal years 1975 and 1976. Our specific knowledge requirements for basic capability in the area have been delimited, and an individual study program--using videotape and other media--is being field tested. Continuing training will be provided to maintain and enhance the skills of the ADP specialists.

Reviewing Government-wide ADP issues

One of our responsibilities is to make studies leading to establishment of modification of Government-wide policies regarding computers. After reviewing past work; holding discussions with recognized authorities from Government, academia, and industry; and conducting planning reviews with representatives of other GAO divisions, we identified four issues which should be addressed in our work. These issues are:

--Application of technology to Government work.

--Efficiency and economy in acquiring and using computer systems.

--Proper use of results generated by computer systems.

--Social implication of the computer.

Our future assignments are planned to bracket all four of the issue areas identified above; for example, we propose to study the impact teleprocessing and networking may have on Federal computer operations—this covers the technology issue. We will also be doing considerable work in the data security area, with its attendant privacy considerations--this covers technology, efficiency, and social implications.

Examples of Government-wide issues reviewed and reported on follow:

--In 1972 GAO described the use of evaluation techniques that could be applied to reducing computer operating costs. We identified additional uses of these and other techniques in 1974 to help reduce computer operating costs estimated at several billion dollars annually.

--Standardization of data elements and codes could help reduce the high costs of Federal computer operations by eliminating unnecessary duplication and incompatibilities in collecting, processing, and disseminating data. We issued guidelines for improving standardization. Action is being taken to implement the policy guidelines.

--Inadequate documentation of computer systems has increased the cost of Federal operations. Action is being taken to develop standards for good documentation, but review procedures need to be established to see that the standards are adhered to.

D. MULTIDISCIPLINARY TECHNICAL ASSISTANCE

The major effort here is to assist auditors in other GAO divisions and offices in assignments requiring technical knowledge in the fields of automatic data processing, systems analysis, actuarial science, and statistical sampling.

For the most part, the results of these efforts are incorporated into the reports released by the other divisions.

There has been continuous growth in the number of assignments in which the Technical Assistance staffs have participated. During fiscal year 1974, assistance was provided on 249 assignments requiring 1 or more staff-days of time. The extent of technical assistance involvement on assignments has increased, particularly in the systems analysis area where the staff often participates with the auditor in determining assignment objectives and work plans and assumes responsibility for conducting segments of reviews and preparing segments of reports.

In addition to developing technically competent staff in Washington, the staff helps divisions and regional offices establish and use their own interdisciplinary groups, participates in ADP liaison meetings with all divisions, develops and supports a computer time sharing capability, provides specialized training in cooperation with the Office of Personnel Management and, in general, encourages the use of specialized techniques in GAO audits.

The greatest accomplishment of this group has been the incorporation of new audit techniques into the job plans of other audit divisions and regional offices. We must now give priority attention to staffing this group with the proper skills to satisfy the demands coming from other divisions and regional offices.

E. CONGRESSIONAL INFORMATION SERVICE

A group within the division is assisting the Congress by providing improved fiscal, budgetary, program-related, and program evaluation information services. These activities include carrying out the Comptroller General's responsibilities under sections 201-204 of the Legislative Reorganization Act of 1970 as amended by Public Law 93-344. In addressing these requirements, we coordinate our activities with other organizational units in GAO, the Office of Management and Budget, the Department of Treasury, the Congressional Budget Office, and the Congressional Research Service in order to improve the information flow to the new House and Senate Budget Committees as well as many of the other committees of the Congress.

Improving usefulness and access to fiscal, budgetary, and program-related information and data for the Congress

The Comptroller General serves as the agent of the Congress to insure that fiscal, budgetary and program-related information and data be developed to assist the Congress in discharging its duties. The responsibilities of this group essentially arise from the legislative requirements of sections 201-203 of the Legislative Reorganization Act as amended by titles VII and VIII of the Congressional Budget Act of 1974. The requirements of these sections are interrelated.

Specifically, we will:

--Represent the interests of the Congress in the development of standardized data processing and information systems for fiscal, budgetary, and program-related data and information.

--Develop, establish, maintain, and publish standard terminology, definitions, classifications, and codes for fiscal, budgetary, and program-related data and information.

--Give particular consideration to the needs of the Committees on the Budget, on Appropriations, on Ways and Means, and on Finance and the Congressional Budget Office in carrying out these responsibilities.

--Conduct a continuing program to identify and specify the needs of the committees and Members of Congress for fiscal, budgetary, and program-related information.

--Assist committees in developing their information needs and monitor and make recommendations for changes in the various recurring reporting requirements of the Congress.

--Determine the extent to which executive branch reporting systems presently meet the identified needs of the Congress.

--Develop, establish, and maintain an up-to-date inventory and directory of sources and information systems containing fiscal, budgetary, and program-related data and information and a brief description of their content.

--Assist committees and Members of Congress in securing, appraising, and analyzing information and data identified in the inventory and directory.

--Develop and maintain a central file or files of the data and information to meet recurring requirements of the Congress to the extent we and the Congressional Budget Office deem necessary.

--Cooperate with the Office of Management and Budget and others in furnishing budget data to State and local governments.

We have been working on program-oriented classifications and committee reporting requirements on a pilot basis with the House Committee on Appropriations, completing initial documentation on 49 Department of Housing and Urban Development and 8 Department of Agriculture housing accounts. We expect to complete initial requirements documentation for 300 accounts with $100 billion in annual outlays by the end of fiscal year 1976.

We have completed review of 747 recurring reports to the Congress with the recipients and identified 54 reports which they no longer need. We will also survey recipients of 100 reports which have been identified for elimination, consolidation, or reduction in scope or frequency and systematically review on an ongoing basis to identify further duplication or need for improvement.

We are conducting a pilot effort to prepare a directory of sources. We will circulate this example to congressional members and staff to obtain their assessment of the pilot effort and recommendations for the full scale project.

In fiscal year 1976, we plan to be implementing the full scale project required by section 203.

Improving access and usefulness of program evaluation and other program-related information to the Congress

Title VII of the Congressional Budget Act of 1974 states that the GAO shall review and evaluate the results of Government programs and activities carried on under existing law and shall assist congressional committees in analyzing and assessing program reviews or evaluation studies, in developing statements of legislative goals and objectives, and in developing methods for assessing and reporting actual program performance in relation to legislative goals and objectives. To carry out these missions, we plan to:

--Assist committees with statements of legislative objectives and goals and methods for evaluation, including recommended legislative language.

--Develop an evaluation information service to assemble knowledge of existing evaluation plans, processes, and products by major executive agency and appraise the quality of such reports and their potential utility to congressional requirements.

--Develop and recommend to the Congress methods for review and evaluation, including principles and standards for evaluation.

--Assist committees to analyze and assess program evaluations, including the synthesis of available evaluations to draw conclusions concerning the major issues faced in program or functional areas.

--Develop case studies and a layman's pamphlet to illustrate methods of conducting program evaluation.

--Encourage State and local governments to adopt evaluation principles and standards and to improve their evaluation methods and reports.

--Contribute to professional and congressional seminars and conferences to promote improved program evaluation.

--Identify evaluation/systems analysis state of the art useful to GAO staff and plan, develop, and administer training courses to GAO staff to reflect this state of the art.

F. AUDIT STANDARDS

Improving the audit capability of Federal, State, and local governments

The major effort is to improve the audit capability of Federal, State, and local governments by bringing together different levels of Government auditing and developing audit standards which all groups can use.

In 1972 GAO issued the Standards for Audit of Governmental Organizations, Programs, Activities and Functions. The standards establish minimum quality and performance criteria for audits and audit staffs at all levels of Government. The role of the Audit Standards Group, since the standards were issued, has been to encourage adoption and use of the standards. This has been accomplished largely by:

--Speeches given by our staff at meetings of professional accounting and auditing organizations.

--Publication of a series of case studies and booklets aimed at State and local government auditors, including public accountants.

--Participation with the municipal and State auditors in the demonstration audits to show how the GAO audit standards can be applied at those levels of Government.

Efforts now under way which we expect to complete in fiscal year 1975 include:

--Publication of additional booklets to supplement the standards.

--Issuance of a suggested State auditing act (to establish a State auditor with authority for broad-scope auditing).

--Publication of several case studies on demonstration audits jointly sponsored by International City Management Association.

--Publication of a self-evaluation guide for use by State or local government auditors.

--Continued speaking engagements and instructions at training courses.

We anticipate that, through the audit forums and our personal contacts with audit officials, we will identify subject areas to continue and expand our projects.

We expect to write two or three additional booklets in our Audit Standards Supplement Series.

We intend to conduct an in-depth study of how the audit standards have been accepted and used. Our objective will be to identify problems and to gather information needed to decide whether an update or major revision of the standards is needed.

As a followup to the test audits conducted with the International City Management Association in the prior year, we will conduct in-depth audits of program results in selected cities, developing and applying measurement criteria. The time required for these audits will probably exceed that of the first round of audits.

Audit forums

As of the close of fiscal year 1974 a National Intergovernmental Audit Forum and 10 regional audit forums were established. Each forum is composed of representatives from GAO and Federal agencies with large grant programs and representatives from State and local audit organizations.

Some objectives of the forums are to exchange views and to resolve issues through discussion before they become problems, to promote acceptance and use of the GAO audit standards, and to try to achieve coordinated and cooperative working relationships. Because of the nature of the forums and their objectives, GAO must provide continued guidance and support. Need for this support is estimated to continue through fiscal year 1976.

Review of financial statements of federally chartered corporations

Under an agreement with the Chairman of the House Committee on the Judiciary, GAO reviews the audits of about 50 federally chartered corporations such as Boys' Club of America, the Civil Air Patrol, and the National Safety Council. The actual audits of the organizations are performed by public accountants. GAO reviews the resulting audit reports to see whether they comply with the financial reporting requirements pertaining to federally chartered corporations as defined in Public Law 88-504.

In fiscal year 1974 GAO reviewed the audits of 11 federally chartered corporations. We anticipate we will continue to provide this service to the House Committee on the Judiciary through fiscal years 1975 and 1976.

JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	7	7	-
	Other	3	3	-
	Consultant	(a)	(a)	-
	Total staff-years	10	10	-
FIELD	Professional & technical	-	-	-
	Other	-	-	-
	Total staff-years	-	-	-
TOTAL	Staff-years	10	10	-
	Positions at June 30	10	10	-

[a]To be provided by Management Services Reserve.

SCOPE AND NATURE OF WORK PROGRAM

The Joint Financial Management Improvement Program (JFMIP) is a cooperative undertaking of the General Accounting Office, the Office of Management and Budget, the Treasury Department, the General Services Administration, and the Civil Service Commission, working in cooperation with each other and with the operating agencies to improve financial management on a Government-wide basis and in individual agencies.

During fiscal year 1974 the program was strengthened by establishment of the position of Executive Director who develops and directs JFMIP programs and projects under the general direction of a steering committee representing the five central agencies. The JFMIP staff is on the GAO payroll, but the other central agencies share in the costs.

The JFMIP activities to be conducted during fiscal year 1976 include (1) cooperative study projects on financial management research and other subjects of Government-wide interest, (2) agency assistance projects involving the organization and coordination of interagency teams to assist agencies with specific financial management problems, (3) coordination of central financial policies and practices, (4) publication of JFMIP technical bulletins on various topics of interest to financial managers, (5) participation in a cooperative program to measure and improve productivity in the Federal Government, including preparation of an annual report to the President and the Congress, (6) review of agency financial management improvement efforts, (7) organization and conduct of conferences, workshops, and seminars, and (8) dissemination of information and promotion of improved financial management practices.

JFMIP relies heavily on participation of people from the central agencies and operating agencies in cooperative projects, with the JFMIP staff serving as a mobilizer of resources and a catalyst. Among the areas expected to receive increased attention in fiscal year 1976 are research in financial management, agency assistance projects, and technical bulletins.

GENERAL GOVERNMENT DIVISION

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	187	197	+10
	Other	31	33	+2
	Consultant	(a)	(a)	-
	Total staff-years	218	230	+12
FIELD AND OVERSEAS	Professional & technical	193	200	+7
	Other	21	24	+3
	Total staff-years	214	224	+10
TOTAL	Staff-years	432	454	+22
	Positions at June 30	460	484	+24

[a]To be provided by Management Services Reserve.

SCOPE AND NATURE OF WORK PROGRAM

The General Government Division is responsible for carrying out the auditing and reporting functions of the General Accounting Office in the Departments of Commerce, Justice, and the Treasury; the judicial and legislative branches of the Government; the Postal Service; the District of Columbia Government; the Small Business Administration; the regulatory agencies; the regional commissions; the Executive Office of the President; the Smithsonian Institution; the National Foundation on the Arts and the Humanities; and a number of other agencies, boards, and commissions. The division is also responsible for audit activities concerning revenue sharing and Federal statistical systems.

Additionally, the division is responsible for audit activities concerning the adequacy of overall Government policy and practice relating to the financing of the Federal Government and the regulation of private enterprise; it carries out the principal functions of the General Accounting Office relative to the strengthening and improvement of intergovernmental relations between Federal, State, and local governments.

The following schedule shows the planned applications of Washington and field professional and technical resources during fiscal years 1975 and 1976 to accounting, auditing, and investigative work in the areas of responsibility of the General Government Division.

Area of responsibility	Staff-years FY 1975	FY 1976	Change
Department of Justice	81	85	+4
Judicial branch	4	4	-
D.C. Government	31	31	-
Legislative branch	10	10	-
Treasury-tax	42	42	-
Treasury-except tax	20	19	-1
Regulatory agencies	15	18	+3
Executive Office of the President	2	4	+2
Department of Commerce	19	20	+1
Small Business Administration	23	27	+4
United States Postal Service	49	50	+1
Intergovernmental relations	23	25	+2
Revenue sharing	33	31	-2
Federal statistical systems	16	19	+3
Audit program direction	12	12	-
Total	380	397	+17

REVIEW AND AUDIT OF PROGRAMS AND ACTIVITIES

During fiscal year 1974, 91 reports relating to the civil departments and agencies, the judicial branch, and the legislative branch were submitted to the Congress, to congressional committees, to individual Members of Congress, or to officers of the Congress. In addition, 28 reports were issued to agency officials. Our reports provide information and assistance to the Congress and also convey to agency officials our recommendations for administrative and financial improvement or corrective action on weaknesses and deficiencies observed during our audits.

Our work in response to specific inquiries from chairmen of congressional committees and from individual Members has continued to increase significantly. Accordingly, our work plans must necessarily be flexible so that we may be continually and promptly responsive to such requests. Moreover, we must remain flexible to make staff assignments for surveys and reviews of important programs when authorized under new legislation.

Our work plans for our major areas of responsibility follow.

Department of Justice

Our major work in fiscal year 1975 and 1976 will focus on crime prevention; criminal rehabilitation; assistance to State and local law enforcement efforts; and enforcement of the immigration laws. The House and Senate Judiciary Committees have expressed considerable interest in these areas.

Two significant factors affecting the crime rate are juvenile delinquency and drug abuse. Since juveniles commit about half of all serious crimes, we will continue our efforts in this area, directing them toward the Federal efforts and coordination of programs to prevent and reduce juvenile delinquency.

We plan to continue our reviews of drug enforcement programs to evaluate their effectiveness in apprehending and prosecuting drug offenders and reducing the drug supply. We will review the implementation of Reorganization Plan No. 2 of 1973 which created the Drug Enforcement Administration, to determine its success in consolidating and strengthening Federal drug law enforcement.

During fiscal year 1974 we reported on (1) the limited success of the Bureau of Prisons in meeting its rehabilitation objective and (2) the efforts being made to improve the Parole Board's decision criteria and timeliness. Reviews under way involve prison rehabilitation programs for young offenders and efforts to eliminate overcrowding in prisons. We plan to undertake reviews of inmate health care and prison drug and alcohol abuse programs.

During fiscal year 1974, we initiated a major effort to review the Law Enforcement Assistance Administration's aid to State and local correction activities, including community-based treatment centers, probation activities, and local jails. Work in the corrections area will continue in fiscal years 1975 and 1976. We issued a report in 1974 on federally supported attempts to solve State and local court problems and plan to conduct further reviews of court administration problems.

Our current reviews of the activities of the Immigration and Naturalization Service involve (1) illegal entry through U.S. territories, (2) the anti-smuggling program, and (3) the adequacy of facilities used in detaining illegals. During fiscal years 1975 and 1976, we plan to look into the Service's systems for monitoring legal entry, detecting fraudulent entry, and identifying and removing legal entrants who overstay their visits.

Judicial branch

During the past year, our work included congressional requests on sentencing practices of the Federal courts relating to convicted organized crime figures and the administration and operation of the Criminal Justice Act. We also completed a review of the U.S. Magistrates.

During fiscal years 1975 and 1976, we plan to review the effectiveness of court administration and the Probation Division of the Administrative Office of the U.S. Courts.

D.C. Government

In the past few years, congressional request work, most of which has been for the Senate Appropriations Subcommittee, has required a large part of our manpower. In a report to the Chairman, we questioned the need for correctional facilities planned for construction. As a result of our work, the District canceled its planned construction program. Based on information we provided the Committee, the Department of Corrections' fund request for fiscal year 1974 for additional personnel was reduced by about $2 million.

Three reviews in process are concerned with compliance with the District's individual income tax and administration of various self-assessed taxes. It appears that steps can be taken to improve efficiency in each of these areas and thereby increase the yield from existing tax rates. Although these reviews are being made principally in the District, some findings are, and others could be, applicable in other States.

Recently enacted home rule legislation added three new audit areas of congressional interest--a required annual audit of a sinking fund to cover District borrowing, adequacy of support for the annual Federal payment to the District, and the District's administration of its new borrowing authority.

Legislative branch

Our planned utilization of resources in this area is controlled principally by congressional requests and statutory requirements. Our planned utilization of staff is set at a level to fulfill these requirements.

Treasury-tax

We continue to have access-to-records problems in the Internal Revenue Service (IRS). However, in accordance with a request by the Joint Committee on Internal Revenue Taxation, we have several reviews in process of IRS's administration of the tax laws. Reviews for the Joint Committee will cover taxpayer assistance and the audit of income, excise, gift, and estate taxes. We will also review for the Joint Committee the regulatory activities of the Bureau of Alcohol, Tobacco, and Firearms. Most of these reviews will be completed in fiscal year 1975.

The Joint Committee has recently requested GAO to make reviews of additional IRS activities and our work on these requests will continue through fiscal year 1976. The work to be done under the current requests will cover

--IRS administration of tax on self-employment income,

--Employment tax returns of exempt organizations,

--Religious, educational, and charitable organizations which do not voluntarily provide social security coverage for their employees.

Treasury-except tax

In fiscal year 1975, we will issue two congressional reports for work completed during fiscal year 1974--one report concerns the payment for overtime services at U.S. ports-of-entry while the other concerns the need for a uniform, simplified method for paying interest on Government trust funds.

We have in process a survey of the effectiveness of the Federal Financing Bank's operation. Commencing with fiscal year 1975, we will make an annual audit of the Bank's financial statements.

We are making surveys of selected activities of the U.S. Customs Service, including cargo security and imported merchandise quantity control, and the functions of the warehouse officer. We are making a review of the user charges administered by the Customs Service.

Regulatory agencies

Major congressional request work initiated in fiscal year 1974 included reviews of (1) the Federal Communication Commission's (FCC) Land Mobile Spectrum Management Program, (2) FCC efforts in regulating cable television systems, (3) procedures used by the Federal Power Commission (FPC) to license non-Federal hydroelectric projects, (4) FPC regulation of natural gas, and (5) FPC regulation of the curtailment activities of natural gas pipeline companies. We expect to complete and report on our work in fiscal year 1975.

Assuming there is a reduction in our congressional request work, we will then direct our efforts toward making evaluations of the fundamentals of regulations--whether the programs are achieving their legislative goal. We are also undertaking a pilot study on how well the regulatory agencies identify and assess the effectiveness of self-evaluation.

The above approach will start in fiscal year 1975 and continue on in fiscal year 1976. Initially we will concentrate our efforts in the transportation field with the focus being on the Interstate Commerce Commission and the Civil Aeronautics Board.

Department of Commerce

In fiscal year 1975, we expect to complete reviews of the Federal oceans programs. These reviews are being made pursuant to requests from the Chairman, Senate Committee on Commerce. We plan to initiate assignments dealing with business development--primarily as it relates to assisting minority enterprises--and activities of the Department in the scientific and technical areas--primarily as they relate to coastal zone management, weather forecasting, and dissemination of technical information.

In fiscal year 1976, we will continue the reviews started the preceding year and start audit work in the economic development area. We also anticipate starting audit work on the recently established Fire Research Administration and the community development corporations, assuming such corporations are transferred from the Office of Economic Opportunity to the Department of Commerce.

We are doing a pilot study on the Federal paperwork burden pursuant to a request from the Senate Committee on Government Operations. We expect to complete this assignment in fiscal year 1975. The law governing use of advisory committees was revised about 2 years ago; in fiscal year 1976, we plan to conduct a Government-wide review of their makeup and use under the new law.

Small Business Administration (SBA)

Our major effort in fiscal year 1975 will be done pursuant to legislation (Public Law 93-386) which requires GAO to conduct a full scale audit of SBA, including all field offices. We have formulated tentative plans to satisfy the requirements of the act which provide for the following work.

--A review of the SBA 7(a) loan program at 30 SBA field offices, as well as reviews of the 8(a) procurement contract program and local development program at a lesser number of offices.

--A comprehensive review of SBA management functions at the SBA Central Office.

--Reviews of several SBA activities at selected district offices, including the 8(a) procurement contract program, local development company program, lease guaranty program, and the small business investment company program.

In fiscal year 1975, we plan to survey the surety bond and consumer protection loan programs. We plan to review these programs in fiscal year 1976 and initiate work in two other programs - equal opportunity and displaced business.

United States Postal Service

The Congress has shown continuing interest in the quality of Postal Service's top management, its programs to modernize postal operations and to improve mail service, and the problems and accomplishments of these programs. Our current operational assignments deal with the use of air transportation, safety program, mail delays, and alternative methods of providing mail service to rural America. We are reviewing the Origin-Destination Information System, a system designed to measure and report on mail delivery service. This report is expected to be issued early in fiscal year 1976.

In the financial management area our fiscal year 1975 reporting will deal with the postal capital investment program and the postal accounting system. Several assignments dealing with revenue protection and with classification and rate structure are scheduled for reporting in fiscal years 1975 and 1976.

Intergovernmental relations

During fiscal year 1975, we plan to issue reports to the Congress dealing with the evaluation, review, and coordination of Federal assistance programs and projects as implemented by Office of Management and Budget Circular A-95, the provisions of information on grant awards to State governments as implemented by Treasury Circular 1082, and problems experienced by State and local governments with the Federal assistance delivery system and the Integrated Grant Administration program.

We plan to complete our survey of planning activities of sub-State organizations and anticipate that at least two reviews will be undertaken. One review will deal with the multiplicity of functional planning activities within specific geographical areas. The other will focus on the multiplicity of federally funded mechanisms for review and comment on proposed Federal projects and programs.

In late fiscal year 1975, we plan to start surveys of (1) the costs of administering federal assistance programs at the Federal, State and Local levels, and (2) efforts to establish and implement uniform administrative requirements for Federal assistance programs.

Revenue sharing

Now that revenue sharing has reached its halfway point, there is increasing interest in monitoring and evaluating the program on the part of citizen groups, Federal agencies, and the Congress. It is expected that the Congress will begin serious deliberation on renewal of the program in late 1975 or early 1976.

In anticipation of these deliberations, we have programed a significant level of review effort for fiscal year 1975, some of which will carry over into fiscal year 1976. Several issues have been identified which are likely to be of major concern to the Congress. Work programed or under way includes (1) a study of the effects of revenue sharing on midwestern townships and New England counties, (2) an examination of the responsiveness of the distribution formula to the relative needs of recipient governments, (3) an evaluation of the compliance audit program of the Office of Revenue Sharing, (4) an exploration of possible amendments to the act which might further encourage intergovernmental cooperation, and (5) a study of possible alternatives to the present system of public disclosure of the use of funds.

At the request of the Intergovernmental Relations Subcommittee, Senate Committee on Government Operations, we are conducting in-depth case studies of revenue sharing in 26 selected jurisdictions around the country. In this inquiry, we are considering such questions as: the impact of revenue sharing on local tax rates, the fiscal condition of each jurisdiction, the record of each jurisdiction in complying with civil rights and other provisions of the revenue sharing law, and the impact of revenue sharing on citizen participation in the local budgetary process.

Federal statistical systems

During the next 2 fiscal years, we plan to increase our effort in Federal statistical systems. This effort will include surveys and reviews of the Consumer Price Index (CPI), data elements used in distributing revenue sharing funds, and the Bureau of the Census.

The CPI is one of the more important economic indicators in today's double digit inflationary economy. It is an index used for making industrial and economic decisions and adjusting the employment or retirement incomes of an estimated 40 million Americans by statute and/or contract. Our planned effort on this index relates to examining policy, procedures, and practices for compiling the present CPI and revising the index.

Revenue sharing funds are distributed to State and local governments by a complex mathematical formula using the data elements adjusted taxes, population, per capita income, and intergovernmental transfers. Our planned effort relating to the elements pertains to determining their accuracy and equity and reporting our determination to Congress for use in future revenue sharing hearings.

We plan a broad survey of the Bureau of the Census with concentration in the areas of mission, organization, internal review, data collecting, confidentiality, reimbursable work, and general management.

INTERNATIONAL DIVISION

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	142	139	- 3
	Other	22	28	+ 6
	Consultant	(a)	(a)	-
	Total staff-years	164	167	+ 3
FIELD - U.S.	Professional & technical	21	30	+ 9
	Other	2	4	+ 2
	Total staff-years	23	34	+11
OVERSEAS[b]	Professional & technical	38	39	+ 1
	Other	6	6	-
	Total staff-years	44	45	+ 1
TOTAL	Staff-years	231	246	+15
	Positions at June 30	242	262	+20

[a]To be provided by Management Services Reserve.
[b]Overseas staff-years used by other divisions and offices are shown in exhibit 1, page N-7.

SCOPE AND NATURE OF WORK PROGRAM

The International Division performs reviews of U.S. programs and activities throughout the world. To assist the Congress, the division seeks to determine whether international programs and activities achieve purposes sought in authorizing legislation and whether the programs are managed at lowest cost.

Areas of primary interest are international trade; financial programs and policies; the administration of foreign development assistance, including the United States' participation in international organizations; security; and the general conduct of foreign relations. Country surveillance surveys are also conducted to enhance the planning and programing of our work.

The primary departments and agencies under division cognizance include:

--The Department of State. This includes the Department's administration of U.S. participation in international organizations, primarily those of the United Nations family.

--The Agency for International Development.

--International Security Affairs, Department of Defense (primarily the administration of security assistance).

--International trade programs and activities of the Department of Commerce.

--International programs and activities of the Department of Agriculture.

--International activities of the Department of the Treasury. Among a number of things, this includes U.S. participation in international lending organizations.

--The United States Information Agency.

--The Export-Import Bank.

--The Peace Corps.

--The Overseas Private Investment Corporation.

The international activities of other departments and agencies also fall within the scope of the responsibility of the division.

The following schedule shows the planned applications of Washington and field professional and technical staff resources during fiscal years 1975 and 1976.

Area of Responsibility	Staff-years FY 1975	FY 1976	Change
A. Development assistance	63	66	+3
B. Trade and finance	63	62	-1
C. Security and international relations	63	68	+5
D. Audit program direction	12	12	-
TOTAL	201	208	+7

OVERSEAS BRANCHES

The Division's work abroad is carried out by its European Branch headquartered in Frankfurt, Germany, and its Far East Branch headquartered in Honolulu, Hawaii. The European Branch area of responsibility includes Europe, Africa and the Near East through Iran. The Far East Branch area of responsibility includes East Asia and the Pacific and extends westward to South Asia through Afghanistan and Pakistan. The Far East Branch has a suboffice and maintains part of its staff in Bangkok.

The Divisions overseas offices also perform overseas field work for the other divisions in the General Accounting Office.

United States-based Field Operations Division staff and Division headquarters staff supplement the overseas branches with additional resources as needed. These staffs also perform all of our Latin America work at the present time.

In fiscal year 1976 we plan to establish a modest office in Panama to assist in carrying out our work in Latin America.

PERSONNEL ASSIGNMENTS TO INTERNATIONAL ORGANIZATIONS

Two division personnel are on full-time assignment with NATO, one as a member of the Board of Auditors and the other as an auditor for the Board.

FOREIGN VISITORS

The Office of the Assistant Director for Special Projects within the division is the focal point in the General Accounting Office for handling requests to receive foreign visitors who wish to be briefed or to receive orientation on the organization, functions, and operations of GAO. Visits often require liaison with the Department of State before the visitors arrive.

During fiscal year 1974, 101 visitors representing 32 countries or international agencies met with GAO officials. These visitors included auditors, comptrollers general, and staff members; budget, treasury, and bank officials; members of legislatures; and others holding senior financial management positions in government and non-governmental institutions.

REVIEW AND AUDIT OF INTERNATIONAL PROGRAMS AND ACTIVITIES

During fiscal year 1974, the division issued 73 reports--56 to the Congress, committee chairmen, and individual Members and 17 to departments and agencies.

Significant testimony related to our work in trade and foreign assistance was provided during the fiscal year. An increasing amount of our work involves providing information to the Congress informally. In fiscal year 1974, we provided informal assistance in 62 instances to the Congress, 25 instances to committees, and 37 to Members.

Our reports to Congress during the fiscal year involved several significant international matters, such as (1) U.S. actions needed to cope with commodity shortages, (2) issues related to foreign sources of oil for the U.S., (3) problems and issues of the United States Information Agency, and (4) the need for U.S. foreign aid to education in Brazil.

Many of our reports contained recommendations for legislative action. During fiscal year 1974 we made recommendations related to (1) the reporting of comprehensive costs for ship transfers, (2) development criteria for ending U.S. assistance to recipient countries, (3) the economy and effectiveness of U.S. security assistance to Korea, and (4) restrictions placed on competition by the Thai Government.

The Foreign Assistance Act of 1973 (Public Law 93-189) contains two sections related to recommendations made in reports of previous years. One section requires the President to make an annual comprehensive report on developing countries' external debts to include current summary perspectives of worldwide dimensions of the debt burden problem as well as the specifics of debt relief granted or proposed. Another section requires the President, acting through the U.S. representatives of such organizations, to establish independent review programs in the World Bank, the Asian Development Bank, and the United Nations System.

Early in fiscal year 1974, the division was realigned into three groups.

Development Assistance
Trade and Finance
Security and International Relations

A brief summary of our work plans in the three functional areas follows.

A. DEVELOPMENT ASSISTANCE

Our lines of effort in the development assistance area include (1) evaluating the implementation, management, and effectiveness of the U.S. foreign economic assistance programs and projects, (2) improving the management and effectiveness of U.S. participation in the programs and activities of the international organizations and lending institutions, and (3) evaluating U.S. and international programs and activities for humanitarian assistance to developing countries. We estimate that one-fourth to one-third of our effort will be to provide direct assistance to the Congress.

Bilateral economic assistance

To meet the needs of the Congress, our evaluation work in the bilateral portion of the U.S. foreign economic assistance programs and projects is conducted in the context of geographic areas and increasingly in program or project functional areas. Our work has included such subjects as (1) population control and family planning and child welfare, (2) U.S. assistance to civilian war victims in Vietnam, Laos, and Cambodia, (3) U.S. economic programs and activities in Turkey, (4) U.S. assistance and other expenditures benefiting Thailand, (5) U.S.-owned foreign currencies, (6) the cost and use of AID personnel, and (7) U.S. assistance in support of public safety, police organization, and law enforcement institutions overseas.

We plan to continue work in the geographic area by performing reviews of the programs in Bangladesh and Pakistan.

With respect to our increasing work in the functional area, we plan to review and report on AID's employment of labor institutions to establish labor movements in less developed countries and on AID contracts and grants to U.S. universities and other nonprofit organizations. We also plan to perform reviews to ascertain whether AID is (1) properly implementing the requirements set forth under Foreign Assistance Act legislation and (2) carrying forth its assistance program in accordance with the justifications presented to the Congress in support of its budget requests.

Multilateral assistance

In pursuing this line of effort we intend to concentrate our work in two main areas (1) improving the management, efficiency, and effectiveness of major multilateral assistance programs and (2) working toward establishing a more effective review and evaluation function within the international organizations and lending institutions.

Our work plan includes reviews of the world food situation which is at its most critical point in recent years. The situation has been dramatized by depletion of grain stocks, spiraling prices, export constraints, and cut backs of food assistance to developing countries since the 1972 decline in world agricultural production. We have performed an overview of the world food situation for perspective purposes. We plan to follow this initial effort with reviews relating to production, distribution, and demand with special concentration on the developing countries.

We are working toward improving the overall management systems of the United Nations organizations dealing with development assistance. We are also continuing our efforts to establish an effective independent review and evaluation function in the United Nations system, the World Bank, and the Asian Development Bank. Progress has been made with the enactment of a legislative basis for our efforts and issuance by the Comptroller General of auditing and reporting standards to be used by the United States in dealing with World Bank officials. Current and future efforts are geared toward continuing the work started in this area.

Human resources

We plan to initiate work on a number of U.S. international assistance programs directed toward the protection and improvement of human resources in the areas of employment, education, health, refugee, and disaster relief. We intend to review and report on U.S. assistance that has been directly focused on improving the quality of human life.

One of our reviews involves the evaluation of U.S. efforts and assistance aimed at curbing the production, use, and trafficking of illicit narcotics. We plan to report to the Congress on the effectiveness of narcotics control action plans established by the Department of State with participating foreign governments. Work has been completed in some 18 countries and in Washington for this purpose. We have addressed in a separate report the Turkish opium ban situation, the recent recision of the ban, and the probable consequences.

B. TRADE AND FINANCE

The Trade and Finance Group is concerned with Government policy and management of international trade matters, audits required under the Government Corporation Act and other statutory provisions, the U.S. supported investments overseas, and foreign investments in the United States.

Our long-range planning objectives are to identify and provide for systematic coverage of the international trade and finance area with the objective of developing meaningful information on which Congress and the agencies can take effective action.

Trade

We plan to continue to survey and review current relevant issues in the trade area. Through issuance of timely reports and testifying before congressional committees, we will contribute to improving Government policy and management of international trade matters and assist the Congress in its oversight and legislative responsibilities.

We have met this objective on such key issues as U.S. actions needed to cope with commodity shortages, ways to improve U.S. foreign trade strategies, economic and foreign policy effects of voluntary restraint agreements on textiles and steel, and the need for better identification and analysis of nontariff barriers to trade. Currently we are viewing such trade matters as the Government's role in East-West trade activities, U.S. quantitative import restrictions, and U.S. trade policies toward developing nations.

Prospective work concerns the Commodity Credit Corporation's extension of credits and guarantees for U.S. agricultural products, the U.S. Government surveillance of export control licensing procedures, and work involving issues and developments stemming from the recently-enacted Trade Reform Act.

Nondiscretionary examination of corporate-type activities

We perform audits required under the Government Corporation Act that include annual examinations of financial statements of the Export-Import Bank of the United States, Overseas Private Investment Corporation, and the Inter-American Foundation. Work pursuant to other statutory requirements is also being performed on the liquidation of the Foreign Military Sales Fund and is planned for the Agency for International Development loan program. The extent of our commitment to these efforts will decrease as a result of recent legislation that, in part, provides for auditing Government corporations every 3 years rather than annually.

Monetary and financial interests

This line of effort will receive more emphasis in fiscal years 1975 and 1976 than it has in previous years. Reports are currently being processed on the U.S. share in World Bank-financed procurement and the relation of Government assistance to the U.S. share of foreign engineering and construction projects.

Public Law 93-155, section 812 (Jackson-Nunn Amendment) states that the Secretary of Commerce shall, in consultation with the Secretary of Defense and the Comptroller General of the United States, determine the balance-of-payments deficit incurred by the United States during the fiscal year ending June 30, 1974, as the result of deployment of U.S. forces in Europe in fulfillment of the NATO treaty commitments and obligations.

Other work being performed relates to such matters as (1) surveying international issues and Treasury policies relative to gold sales to U.S. citizens, (2) reviewing the costs in providing overseas military banking facilities, and (3) needed modifications to Public Law 480 donations program because of current commodity shortages.

Additional matters will be surveyed to continue to apprise Congress on how U.S. agencies are furthering our international monetary and financial interests and to offer recommendations for furthering such interests. These work areas include survey of Treasury attaches and current applicability of defense and civil agencies Buy-American requirements.

U.S. -supported investments overseas and foreign investments in the United States

This is a new major line of effort resulting from congressional concern as to runaway industries, flow of scarce commodities overseas, and concern as to foreign investments in the United States.

Our report to the Chairman, Subcommittee on Multinational Corporations, Senate Committee on Foreign Relations (B-173240, July 16, 1973) dealt in part with the runaway industries issue. We are making a survey of foreign investments in the United States which is focused to respond to a request from a Member of Congress for information on foreign investments in the United States in mining, agriculture, and timber.

This line of effort will be of continuing congressional interest. We plan to develop review efforts to increase our involvement. A major impediment to progress concerning GAO reviews on foreign investment in the United States is the lack of an adequate data base. Prospective work areas include a case study on the impact of foreign investment in the United States and coordination of U.S. programs for loan guarantees and insurance.

C. SECURITY AND INTERNATIONAL RELATIONS

The responsibility of the Security and International Relations Group encompasses those activities primarily concerned with the overall coordination and conduct of U.S. foreign policy. These range from those traditionally associated with the Department of State and international activities of the Department of Defense to those numerous other departments and agencies making up the foreign affairs community who are involved in such diversified areas as cooperative programs with the U.S.S.R., international energy problems, overseas information programs, and arms control and disarmament negotiations.

Diplomatic representation and support

Our efforts in this area will encompass the planning, coordination, and administration of diplomatic affairs, international security affairs, the overseas information program, arms control, cultural and educational exchange, and international agreements between the United States and foreign countries. Our objective will be the identification of basic problems, promotion of improvements in the management of such affairs, and maintaining a posture which will permit prompt and meaningful response to the increasing number of congressional requests for assistance and studies in the foreign affairs area.

To accomplish our objectives in the diplomatic representation and support areas, we will undertake or continue such assignments as examining mechanisms for formulating basic aims and identifying unneeded programs, examining mechanisms for transferring aims into viable programs including channeling resources in each country to the achievement of U.S. objectives in the most efficient manner, monitoring and reporting on issues pertaining to law of the sea, and the combatting of terrorism overseas.

The U.S. Intelligence Community is an integral part of the foreign affairs community. In view of the considerable congressional interest in intelligence activities we plan to widen our contacts within the community, increase our use of data and studies available from the community, and maintain a basis for positive response to congressional requests for assistance.

Natural resources

One priority concern will involve energy resources because of the current world energy crisis. A report to the Congress, "Issues Related to Foreign Sources of Oil for the United States" (B-179411, Jan. 23, 1974), set forth the role of Government and industry, the future availability of oil, industry agreements with oil exporting countries, and the need for closer future cooperation between Government and industry to insure continuing oil imports.

Another priority concern will be the U.S. dependency on importation of critical mineral resources. We will consider the potential for supply disruptions, unilateral price increases, and international competition for limited supplies. We will also consider whether U.S. economic programs to lesser developed countries can play a role in insuring the United States a continuing supply of mineral resources.

Security assistance

The many forms of international security programs are continually changing in order to support the U.S. foreign policy of helping other nations help themselves. In past years considerable congressional interest has been expressed regarding U.S. military commitments and activities abroad. We expect a continuing high level of requests for assistance in this area, especially in view of the new administration's position of reducing Federal expenditures yet maintaining a strong U.S. defense posture and support of other nations.

Since about 1966 funding and programing responsibility for military assistance in Southeast Asia has come from several sources, most of which were outside foreign assistance legislation. Therefore only a small part of our recent resources have been used to review military assistance activities in that region. Recent changes have signaled the return of military assistance fundings for Southeast Asia countries to regular foreign assistance authorizations. We believe this is the appropriate time to direct more of our resources to military assistance activities in Southeast Asia.

Congressional and public attention has focused with growing intensity on the financial and political aspects of the U.S. obligations to NATO. Of serious concern is the large U.S. balance-of-payments deficit resulting from the stationing of forces in Europe. Our major effort regarding U.S.-NATO activities will be in the following areas: evaluation of the concept of joint funding, examination into the U.S. pre-financing of infrastructure projects, and identification of support activities that could be provided by host countries.

Western hemisphere country surveillance

Our surveillance surveys cover a wide range of programs and activities, including bilateral and multilateral development assistance, military assistance, trade, energy, monetary and agricultural information, Peace Corps, and drug surveillance activities. The objective of such surveys is to identify major U.S. objectives and interests in Western Hemisphere countries, programs supporting such objectives, and any issues which may constrain their successful achievement. We are also concerned with international programs and activities and their relationship to U.S. programs.

DISTRIBUTION OF OVERSEAS STAFF-YEARS BY DIVISION

Our plans provide for the application of the International Division overseas staff to the work of the Washington divisions and offices, as follows:

	Staff-years FY 1975	FY 1976	Change
Financial and General Management Studies Division	3	2	- 1
Federal Personnel and Compensation Division	10	10	-
General Government Division	1	1	-
International Division	44	45	+ 1
Logistics & Communications Division	44	45	+ 1
Manpower and Welfare Division	2	3	+ 1
Procurement and Systems Acquisition Division	4	3	- 1
Resources and Economic Development Division	1	-	- 1
Transportation and Claims Division	3	3	-
TOTAL	112	112	-

LOGISTICS AND COMMUNICATIONS DIVISION

		FY 1975	FY 1976	Change
HEADQUARTERS	Professional & technical	145	149	+4
	Other	27	27	-
	Consultant	1	1	-
	Total staff-years	173	177	+4
FIELD AND OVERSEAS	Professional & technical	266	266	-
	Other	32	32	-
	Total staff-years	298[a]	298[a]	-
TOTAL	Staff-years	471	475	+4
	Positions at June 30	490	493	+3

[a]Includes 44 overseas in 1975 and 45 in 1976.

SCOPE AND NATURE OF WORK PROGRAM

The Logistics and Communications Division is responsible for the audit of (1) logistics and communications activities in the Department of Defense and the General Services Administration, (2) activities of the Office of Telecommunications Policy, Executive Office of the President, (3) all Federal Government functions related to printing and publications, and (4) overall policies and practices of the Federal Government related to logistics and communications activities. The area of responsibility encompasses the review of requirements for and the receipt, storage, distribution, and disposal of materials and equipment; the determination of supply management effectiveness through reviews of the readiness of active and reserve forces; the acquisition and management of facilities; the repair and maintenance of equipment and components; the acquisition and operation of communications and data processing systems; and supporting activities such as food service, records management, and printing and publishing operations.

The Washington staff of the division performs its functions with assistance from the staffs of the regional offices of the Field Operations Division and the European and Far East Branches of the International Division.

The following schedule shows the planned application of Washington and field professional staff resources during fiscal years 1975 and 1976.

Area of responsibility	Staff-years FY 1975	Staff-years FY 1976	Change
A. Communications and data management	77	79	+2
B. Distribution management	98	98	-
C. Facilities acquisition and management	92	92	-
D. Materiel management	138	140	+2
Audit program direction	7	7	-
Total	412	416	+4

REVIEW AND AUDIT OF PROGRAMS AND ACTIVITIES

During fiscal year 1974, 94 reports were issued to the Congress--78 of which were addressed to committees or Members of Congress on reviews made in response to their specific requests. Thirty congressional requests were satisfied by telephone conversations, furnishing documents and other data, and briefing Members of Congress and their staffs. Thirty reports were issued to the heads of departments and agencies.

The financial savings attributable to the work of the division during fiscal year 1974 total about $268 million.

Our work in response to specific requests from chairmen of committees and Members of Congress continues to increase significantly. Accordingly, our work plan must be flexible

so that we may be promptly responsive to such requests. Our plans must remain flexible to permit the assignment of staff to review program and activity areas which attract a special degree of congressional or public interest and concern.

Brief comments on our work plans in each of the four areas within the division's responsibility follow.

A. COMMUNICATIONS AND DATA MANAGEMENT

The work of this group will be directed towards three objectives.

Objective: Improve effectiveness of data processing operations and management

We plan to pursue major efforts in the areas of planning, development, and management of data systems; the effectiveness, efficiency, and economy of operation of data installations; other major issues; implementation of Public Law 89-306 (Brooks Bill); and review of the National Security Agency.

Concerning the first effort, during the past year we have completed review of five major Department of Defense (DOD) logistics systems, all with positive results. But this effort is open-ended. New systems are continually being devised to take advantage of the latest generation capabilities, teleprocessing in particular. Additional systems have been identified for review.

The second effort, also, is open-ended since Government data processing installations number in the thousands.

Regarding other major data processing issues, we are completing a review of computer modeling and simulation and are addressing the problem of data security and protection of privacy, which will extend into fiscal year 1976.

Our effort on implementation of the Brooks Bill involves review and monitoring of the General Services Administration's (GSA's) responsibilities under this legislation for the efficient acquisition, use, and maintenance of Government equipment and supplies. We have completed reviews of the adequacy of competition for equipment and supplies, GSA's execution of items management responsibilities, and operation of the ADP Fund. We also plan to perform reviews of the use of personal services (systems analysts and programers), maintenance of equipment, management of data bases, and planning.

We also plan to initiate a new major effort, review of the National Security Agency, with initial emphasis on data processing.

Objective: Improve effectiveness of communications operations and management

Our efforts in this area involve review of the planning, acquisition, management and operation of Government telecommunications systems and equipments which represent an investment of $50 billion and annual expenditures of $10 billion.

Past review addressed the broad issues of management, at the national level, of these resources and the radio frequency spectrum upon which they are dependent and identified a number of finite areas for in-depth review. Of these, we have completed reviews of three major defense telecommunications systems which involved demonstration of adverse economic consequences of weaknesses in management and organization.

We are presently surveying a major civil telecommunication system and plan a review in the resources plan timeframe. However, we plan continued efforts on systems of DOD, the major communications user. These involve planning and engineering of major defense telecommunications systems and readiness of tactical communications.

Other areas identified in our earlier broad reviews as warranting attention are the seeming proliferation of various satellite programs and a variety of civil and defense navigation systems.

Objective: Improve records management practices

The costs of Federal paperwork are estimated at $15 billion annually. Past efforts in this area have been limited to a broad review of the performance of GSA, which has the primary management responsibility for records management under Public Law 90-620. What remains to be done in this area is to find ways to reduce the volume and cost of paperwork. Planned surveys or reviews involve limited aspects of this problem, i.e., control over computer-generated reports, proliferation of copying machines, and potential microfilm/microfiche applications.

B. DISTRIBUTION MANAGEMENT

The work of this group will be directed towards six objectives.

Objective: Promote economies and effectiveness available from a total systems approach to distribution

Our approach to this objective views distribution as a series of interrelated functions involved in moving material from the producer to the user. Instead of analyzing individual functional segments of the system without considering their impact on the entire system, we plan to evaluate the overall system.

This approach will provide us with opportunities to contribute significantly toward reducing the billions spent in support of the Government's distribution programs without sacrificing the effectiveness and efficiency of the programs.

Our initial effort has identified opportunities for savings of about $15 million annually, and we look to even greater savings as we continue this line of effort in fiscal years 1975 and 1976.

Assignments planned in this responsibility area include:

--Studies to determine the potential for realigning, consolidating, and modernizing distribution support facilities (depots, ports, inventory control centers).

--Assessing new distribution concepts on trial in the Department of Defense (direct support system and air investment program).

--Evaluating the effectiveness of distribution systems for selected commodities (petroleum products, tires, weapons).

--Evaluating, on a total systems basis, the logistic support required for the nonmilitary needs of troops and dependents in Europe.

Objective: Promote an integrated National Supply System

The National Supply System is a term which was first coined during congressional hearings in the early 1960s. The ideas encompassed in such a system include one identification, one manager, and one source for each supply item used in the Federal Government.

The concept of a National Supply System historically originated with the Federal Property and Administrative Services Act of 1949 which created GSA to act as the central manager for consumable items used throughout the Federal Government. It wasn't until 1963 when, because of congressional pressure, an agreement was reached between DOD and GSA which assigned 12 Federal supply classes of paint and handtools from DOD to GSA for integrated management. This was the first effort made to obviate the duplication of management of items between these two organizations. Subsequently, other agreements were reached which ultimately resulted in the assignment of 68 classes to GSA and 99 classes to the Defense Supply Agency.

In 1970 the Assistant Secretary of Defense for Installations and Logistics estimated the Government could save $30 to 40 million annually if duplicate management of items between DOD and GSA could be eliminated. Nevertheless, efforts in this direction have been moving slowly. Civil agencies in the Federal Government have expressed or implied varying views toward the National Supply System concept. Some of the agencies do not even appear to be aware of such a concept.

Our efforts have been directed toward looking at the status of the concept and what progress has been made since its inception in 1963. Our review showed that some duplication still exists in management of those stock items assigned to GSA as integrated manager. The more prevalent duplication, however, exists in those classes managed by DOD. Elimination of GSA-DOD management duplication could result in measurable savings of $14 million and additional savings not readily measurable. We plan to report on this duplication to assist the Congress in evaluating the efficiency of the management of Government assets.

We will extend our work into an examination of the integrated management supply system within DOD and will also examine the effects of different buying and stock replenishment policies of the military services, Defense Supply Agency, and GSA on distribution costs.

Objective: Promote effective and efficient inventory practices

The proper management of inventories throughout the Government is essential to its efficient and effective operation. Ineffectiveness and/or inefficiency in the control exercised over inventories results in either the inability to satisfy a need when it arises or the expenditure of funds for stock that is not needed and which frequently is disposed of at 4 to 5 percent of acquisition value. Our plan is to examine into the manner in which Federal agencies having significant inventories are carrying out their management responsibilities for these stocks.

We have issued a number of reports to the Congress and to agency heads citing significant economies that could be achieved by the military services through better management of their equipment and supplies on hand and on order. As a result of corrective actions taken in response to our 1973 and 1974 reports, one-time cost savings of $92 million and annual recurring savings of $100 million were realized.

Our major efforts will be devoted to (1) a review of the Army's management of major equipment items (on-hand inventory of $26 billion and annual purchases of $3 billion), (2) a survey and review of the Air Force's management of reparable parts (on-hand inventories valued at $5 billion), and (3) a survey and review of the Navy's management of submarine parts and equipment. We also plan to give survey coverage to DOD's and GSA's management of limited shelf-life items and to the Navy's management of retail level inventories.

Objective: Promote effective and efficient disposition of excess personal property

Our objective is to evaluate the efficiency and effectiveness of the management of excess Government personal property, including use and disposal. DOD estimates that it will dispose of about $6.7 billion of personal property in fiscal year 1975. In doing so, it will incur costs of more than $180 million. GSA estimates that it will dispose of about $70.5 million of personal property during the fiscal year.

The Congress has been concerned over inadequacies in the disposal of Government personal property. As a result, DOD directed the Defense Supply Agency to assume worldwide responsibility for all DOD disposal operations as of July 1, 1973. The individual services, however, remain involved in some disposal functions, mainly the demilitarization of military items. The estimated fiscal year 1975 demilitarization costs are $75.6 million. We believe there is waste in this area and that it warrants our attention.

The GSA disposal system has recently undergone significant revisions, the major change being the Federal Supply Service's takeover of all GSA's personal property disposal functions.

We have significantly contributed to the correction of deficiencies in disposal operations. Recent recommendations to DOD and GSA are currently under consideration and, if adopted, will greatly improve the overall disposal system. There are certain areas which still require our attention, however.

Our plans include the following work:

--Survey and review of selected operations of the Defense Supply Agency's Defense Property Disposal Service. This work will evaluate demilitarization operations and other selected areas.

--Followup on the extent to which DOD and GSA have implemented the recommendations in our report entitled "Department of Defense Property Disposal Operations Need Improvement" (B-161507, May 30, 1974).

--Survey the need to better integrate procedures for disposition of excess personal property.

Objective: Promote readiness of land, sea, and air transport capability

This objective is directed to an evaluation of DOD's ability to move men and materiel in emergency and contingency situations. The readiness of transport capability is just as important as the readiness of combat units from a National Defense standpoint. However, in periods of peace and tight budgets, it is usually this area that is allowed to suffer. We therefore intend to closely monitor this capability during the next several years.

A major problem in this area concerns the capability to move containerized cargo under combat conditions. The bulk of our defense supplies are not delivered by containerships. Most of the container vessels are not self-sustaining; i.e., they do not have on board cranes and equipment to load and discharge their cargo. They are therefore dependent on sophisticated pier facilities equipped with heavy gantry cranes. In the event of hostilities, these facilities would be very vulnerable and their loss would create problems in over-the-beach handling of containers.

Another associated problem worthy of study is DOD's ability to move equipment and supplies to United States ports of embarkation in a contingency situation.

We have started our evaluation of the U.S. sealift capability and have also started a survey of the readiness of land transportation in Korea.

Planned assignments include:

--Use of tactical airlift capabilities by individual services.

--Need for selected military aerial ports--considering the impact of long-range aircraft.

--Effectiveness and efficiency of selected military aerial ports.

--Adequacy of the Civil Reserve Air Fleet.

Objective: Promote effective and efficient traffic management practices

We plan to continue our efforts to promote effective and efficient traffic management practices within DOD and the civil agencies. We want to insure that the Government is obtaining the transportation service which best meets its needs at the most favorable cost. Our major efforts include surveys and reviews directed to (1) rate negotiation practices for obtaining commercial services, (2) use and design of automated transportation data systems, (3) proper selection of mode, carrier, and routes, (4) potential for consolidation of freight shipments, and (5) use of Government owned and controlled fleets of air, sea, and surface carriers, as well as the effectiveness and efficiency of operations of Government-owned air terminals and ocean terminals.

Transportation activities cost nearly $5 billion annually. Although substantial audit effort has been expended in these areas in the past, many opportunities still exist for improvement. Evolutions in transportation systems have caused continuing shifts in mode selection from surface to air and from conventional break-bulk ocean transportation to containerized and intermodal service.

C. FACILITIES ACQUISITION AND MANAGEMENT

The work of this group will be directed towards six objectives.

Objective: Promote effective and efficient facility acquisition programs

DOD and GSA are responsible for the acquisition of the majority of the facilities acquired by the Government for use in conducting Government business. Generally, the acquisition of facilities is a very involved and time-consuming process. The sequence of actions leading to the acquisition of facilities encompasses determining facilities requirements; determining the most economical and efficient method of acquisition; obtaining congressional authorization and funds approval; designing the facilities if construction is warranted; and contracting for, and managing, the actual construction.

We are directing our audit effort in this area toward evaluations of the agencies' performance in major facilities acquisition programs by examining one or more of the elements included in the acquisition process. These major programs will continue to be determined on the basis of national and congressional interests. Work performed for the House Appropriations Committee in the past regarding military facility acquisition programs has encouraged the Committee to seek our assistance not only through normal reporting but also through providing questions and material for use in hearings on military department's appropriations requests for costly or large facility programs.

The Senate Public Works Committee, in recent years, has requested our services in reviewing GSA facility acquisition activities. Major areas of Committee interest have resulted in our (1) analyzing proposals for acquiring major Government projects, (2) reporting on leasing activities, (3) monitoring the contract-purchase program, and (4) commenting on changes in budget proposal and approval procedures. The Committee has already stated that they will seek increased assistance from us in the immediate future.

We plan to initiate audits of several acquisition programs of particular interest to the Congress. Such programs include DOD's acquisition of correctional facilities for the Department of Justice.

Objective: Promote effective and efficient construction functions

We will continue to make multiagency audits of construction contracting practices and construction techniques. In these functional-type audits, we are identifying and comparing the various contracting and construction techniques used by Government agencies and by private industry to obtain needed facilities effectively and efficiently. Particular emphasis is being placed on the acceptance and use by Federal agencies of new or innovative construction techniques--whether developed by private industry or by a Government agency.

We are planning to initiate several major functional-type reviews including (1) the effects of turnkey procurement on the cost, quality, and delivery time of Federal construction projects and (2) the applicability of offsite techniques in Federal construction, such as industrialized building, modular construction, and systems building.

Objective: Promote effective and efficient control of pollution, utilities and services

We plan to concentrate on two basic areas--(1) pollution abatement and (2) utilities and services.

Because of the pollution and energy problems, these areas have become increasingly significant. We plan to continue to emphasize reviewing them. We are currently reviewing the operation and maintenance of waste treatment facilities at military installations. In doing so, we are considering such things as the performance of the operating staff and how effectively the plant is operating. We plan to initiate work in the areas of air pollution and solid waste disposal.

We will look into the advantages of utility companies being permitted to own distribution systems on DOD installations. If staffing permits, we will perform a followup review on energy consumption in Federal office buildings. We are continuing our efforts in the area of fire protection by reviewing protection practices at DOD installations. We have also scheduled a followup review on fire protection for GSA records centers.

Objective: Promote economical and efficient maintenance and repair operations

We plan to increase our efforts in the area of maintenance and repair of real property. There is a need for much work in this area as the dollars being obligated for expenditure do not appear to have kept pace with rising costs. Productivity must be increased wherever possible; new ideas must be employed; and overlapping and duplication must be kept to a minimum.

We will expand our efforts by comparing building maintenance practices of DOD, GSA, and private industry. We hope to identify practices used by one that could advantageously be used by others.

We are currently performing a review of productivity in real property maintenance in DOD. We also intend to pursue the further efforts being made within the DOD to consolidate, where feasible, its real property maintenance organizations.

Objective: Promote effective and efficient use, occupancy and disposal of real property

Some questions to be answered in reviews performed to attain this objective follow.

1. Are adequate controls and criteria in existence to insure that agencies are using only real property that is actually needed?

2. Are the Government's interests adequately protected when others are allowed to use its property?

3. Is there potential for further joint use of properties by various Federal agencies?

4. Are excess properties identified promptly and disposed of expeditiously?

An area we intend to pursue relates to the use of space in Government-owned industrial facilities operated by Government or by contract. Efforts regarding potential for joint utilization will continue with major emphasis being placed on the military, including the Reserves and National Guard. We intend to look into the ultimate uses of former Federal properties, determine the extent of such uses, and attempt to assess the benefits

being derived therefrom. Emphasis will continue to be placed on reviewing the adequacy of agencies' use criteria and its implementation.

Objective: Promote the effectiveness, efficiency and economy of base closures, realignments and consolidations

Our workload has been significantly impacted by congressional requests involving base closures, realignments, and consolidations. Many of the requests require significant review efforts, often as much as 400 to 500 staff-days.

This appears to be an ever-expanding area of congressional interest. For example, the Air Force, on April 11, 1974, announced 29 new base realignment actions. Navy officials informed us that there will be major shore establishment realignment actions. Similar information has been received from Army officials.

We plan to perform three types of self-initiated assignments:

--Reviews of individual military installations. For example, starting in fiscal year 1975 we will evaluate the feasibility of closing a recruitment training facility through consolidation with a camp.

--Evaluations of consolidating and realigning various military activities in a geographical or metropolitan area.

--Evaluations of the adequacy of DOD policies, procedures, methods, and practices for determining base closures, realignments, and consolidations.

Objective: Promote effective and efficient housing acquisition and management

DOD owns and controls 376,000 family housing units, 101,000 bachelor officer units, and 1,720,000 enlisted personnel spaces. The annual operations and maintenance costs have risen to over $1 billion.

In a new climate of lessened need for new housing, DOD has shifted its emphasis to improving existing quarters. In fiscal year 1975 DOD requested $60 million for improvements and alterations of existing public quarters and for the modernization and renovation of older and deteriorated units; DOD estimates its backlog of such work to be $700 million.

We recently began a review of the modernization and improvement program. Our objective is to determine whether the long-range objectives of the program are being met and the program itself is being economically and efficiently administered. We also have a survey under way of the bachelor quarters modernization program. We will try to measure the feasibility of putting all DOD family housing on a rental basis, an idea subscribed to by the Office of Management and Budget. Another survey will compare military and civilian housing standards.

D. MATERIAL MANAGEMENT

The work of this group will be directed towards five objectives.

Objective: Foster military readiness

Through reviews of the readiness of key general purpose and strategic forces and the effectiveness of their weapons in relation to the perceived threat, we plan to:

--Help keep the Congress informed of the readiness posture of U.S. forces.

--Identify personnel, training, logistics support, and weapons effectiveness problems that cause degraded readiness and the management actions necessary to reduce or eliminate them.

--Improve the adequacy and accuracy of readiness reporting systems that provide data for use by the Joint Chiefs of Staff and the National Command Authorities in time of emergency.

--Evaluate the potential for achieving desired readiness levels at lower cost and with savings in scarce resources, such as petroleum, through such means as more efficient training activities in operational units.

--Evaluate the potential for improving readiness response of operational forces through elimination of unnecessary levels of command.

We have made a number of reviews of the combat readiness of various military forces over the years. Our reports to the Congress have disclosed such matters as poor logistics support; lack of qualified personnel; inadequate and inaccurate readiness reporting; lack of suitable equipment; and shortages of equipment, repair parts, and ammunition prepositioned in Europe for the use of troops that would deploy from the United States in the event of an emergency.

We plan to continue our cyclic approach to reviews of the readiness of major forces and to review specific functions that impact on the effectiveness or efficiency with which desired readiness can be achieved. Examples of the assignments planned include reviews of:

--The potential for reducing flying hours and saving petroleum, oil and lubricants (POL) without degrading the readiness of the military services.

--The readiness of and necessity for the 8th Army in Korea in relation to the expected threat.

--The readiness of the Tactical Air Command.

Objective: To improve agency methods for determining their equipment and materiel requirements

The Federal Government manages over 4.3 million items. DOD alone maintains an inventory of over $150 billion in major weapons, military equipment, and supplies.

Our requirements work is aimed at identifying areas where Government agencies can achieve substantial savings by eliminating duplicate management of equipment and material and developing better programs for controlling items to insure effective use and avoid unnecessary acquisitions. Our approach is to review the major programs and systems that agencies employ for determining materiel requirements. To date, we have issued a number of reports to the Congress recommending improvements to programs for controlling major items of equipment, secondary items, and repair and spare parts needed for the mutual support of new equipment. Two of the more recent reviews of DOD programs of this type resulted in reduced requirements of over $86 million.

We plan to emphasize the economies which can be achieved by making full use of equipment. For example, in a current review we informed the Secretary of the Air Force that we believed Air Force projected requirements for expensive sets of test equipment for the F15 aircraft program were excessive. We felt that the Air Force should consider more extensive use of a lesser number of sets. The Secretary agreed with us and indicated that the Air Force was in the process of reducing its requirements by about $50 million.

We also plan to devote more attention to (1) specific methods by which departments, particularly DOD, determine the types of equipment operating units need to carry out their functions, (2) the participation of logistics personnel in the systems acquisition process, and (3) the concepts developed to manage modular designed equipment which the military services are acquiring at an increasing rate.

Other assignments planned in connection with our goals are:

--The criteria and procedures for determining the items and quantities for war reserves and industrial planning, review of needs for ground support equipment, interservice coordination, and standardization between services.

--The criteria of the Defense Supply Agency for stocking supply items.

--Air Force methods to determine requirements for initial spares.

Objective: To enhance efficient and effective management of Government maintenance

The primary objectives in the maintenance and industrial management area are to effect economies through more efficient and effective management of maintenance at user, intermediate, and depot maintenance activities. This includes reviews along functional and commodity lines, such as specific programs, maintenance pipelines, weapon systems, and modification programs. It also includes a broader or systems approach to reviewing and evaluating total performance of a command or agency in terms of its total maintenance requirement, total capacity, total costs, etc.

We have issued 21 reports during fiscal years 1972 through 1974 with total measurable savings of $144 million and several significant areas where unmeasurable savings have been reported.

An example of a functional review planned for fiscal year 1976 is the review of maintenance of helicopters in the Army, Navy, and Air Force to compare maintenance philosophies and to determine further potential for cross-service maintenance support or the consolidation of maintenance functions.

We also plan an industrial management review to improve the productivity of selected munitions plants.

Objective: Promote effective cataloging and standardization activities

More than 4 million active items are bought, stored, and used by the Government. Another 1.5 million inactive items which may be stored and used are supposed to be phased out of use. Each year 280,000 new items enter the catalog and supply systems. Therefore it is extremely important to maximize the efficiency of the $36 million programs intended to control the entry of new items, the $162 million program devoted to maintaining the catalog data, and the $6 million programs for eliminating those items no longer needed. Effective cataloging and standardization programs also directly affect the multimillion dollar inventory management function.

Because a peacetime environment now exists and because of our recent reports, increased emphasis is being placed on improving the Federal cataloging and standardization programs. As the result of a 7-year $70 million program, a new catalog data processing system is scheduled for implementation in April 1975. As a result of our reports, improvement projects have been implemented to eliminate duplicate items from supply, reorganize standardization offices, improve the item reduction program, and consider the need for a Government standardization program steering committee. Logistics costs estimated at $55 million have been saved.

To promote effective cataloging and standardization activities, we plan major efforts in assessing:

--The policies and procedures controlling items entering new equipment during design and entering the supply system.

--The Government's specification and standards program which influences the design and selection of items used by the Government.

--The agencies responsible for maintaining the catalog system to determine if a more efficient organization is possible.

Objective: Promote the effective operation of support service activities and improve ammunition management

Although there are many support services functions which we can include in our reviews, we will concentrate in the area of printing, clothing and textiles, weather service, industrial plant equipment, and ammunition.

Our reviews in the printing area assessed the total printing capability within geographical areas. We recommended to the Joint Committee on Printing that consolidations are feasible and that they should consider consolidating printing plants to eliminate costs and increase productivity. In this area we have also made many recommendations to the Public Printer on ways to improve the operation of the Public Documents Division, and we have prepared a report explaining procedures for pricing publications. Additional work that needs to be accomplished in this area is an in-depth survey of the printing procurement procedures at the Government Printing Office and a study to compare in-house costs versus contracting-out costs and the impact these costs have toward meeting the goals of the Federal Printing Program.

We have recommended increased flexibility in the procurement of food requirements and the agency's ability to respond to changing market conditions. We recommended identifying costs applicable to resale and troop support functions at the wholesale level. We propose to survey the clothing and textile division of Defense Personnel Support Center to evaluate the management of clothing and textiles for all three military agencies.

Over the years many recommendations have been made relative to the management and use of Government-owned facilities in contractors' plants. These reviews have been the subject of congressional hearings and the basis for proposed legislation. We will devote time to the management of industrial equipment in Government-owned and Government-operated industrial facilities.

We plan also to review the proliferation or overlapping of functions pertaining to the weather services and to continue reviews to promote efficient economical management of ammunition.

MANPOWER AND WELFARE DIVISION

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	238	256	+18
	Other	43	49	+ 6
	Consultant	(a)	(a)	-
	Total staff-years	281	305	+24
FIELD AND OVERSEAS	Professional & technical	345	365	+20
	Other	35	45	+10
	Total staff-years	380	410	+30
TOTALS	Staff-years	661	715	+54
	Positions at June 30	693	757	+64

[a]To be provided by Management Services Reserve.

SCOPE AND NATURE OF WORK PROGRAM

The Manpower and Welfare Division is responsible for carrying out GAO's auditing, investigative, and reporting functions with respect to the Department of Health, Education, and Welfare; the Department of Labor; the Veterans Administration; the Office of Economic Opportunity; ACTION; the Railroad Retirement Board; the National Science Foundation; the Corporation for Public Broadcasting; the Consumer Product Safety Commission; and certain related agencies, boards, and commissions. It is also responsible for the health-related programs of all departments and agencies of the Federal Government, including those of the Department of Defense, and the interrelationships among all Federal programs and activities related to health, manpower, education, and income security, excepting responsibilities assigned to other divisions for the audit of certain funds used to finance business-type activities and of programs having an international character and for the audit and settlement of the accounts of accountable officers.

The Washington staff of the Manpower and Welfare Division performs its functions with assistance from the staffs of the regional offices of the Field Operations Division and the European and Far East Branches of the International Division.

The division is organized basically along the lines of the four principal national purposes served by the departments, agencies, and programs within its area of responsibility: health financing and regulation; health research, resources, and services; manpower and education; and income security.

The following schedule shows the planned application of Washington and field professional and technical staff resources during fiscal years 1975 and 1976 to auditing and review work in the principal areas of the division's responsibility.

Area of Responsibility	Staff-years FY 1975	FY 1976	CHANGE
A. Health--financing and regulations	136	143	+7
B. Health--research, resources, and services	141	148	+7
C. Manpower and education programs	167	175	+8
D. Income security programs	126	140	+14
E. Director's office	9	10	+1
Staff detailed to the Congress	4	5	+1
Total	583	621	+38

REVIEW AND AUDIT OF PROGRAMS AND ACTIVITIES

During fiscal year 1974, a total of 71 reports on programs and activities within the Manpower and Welfare Division's area of responsibility were submitted to the Congress, congressional committees, or Members of Congress. In addition, 25 reports were issued to heads of departments or agencies or to other agency officials. Our reports provide information to the Congress on the management and effectiveness of the programs and activities reviewed and also convey to the Congress and to department and agency officials our recommendations for legislative consideration or management improvements designed to increase the effectiveness of programs and activities or the economy and efficiency of their operation.

Our work plans for fiscal year 1976 contemplate reviews of selected programs and activities of each of the departments and major independent agencies and major program areas--health--research, resources, and services; health--financing and regulation; manpower and education; and income security--within the division's responsibility. We will also develop data to assist the Senate Subcommittee on Appropriations and the new Congressional Budget Office in discharging their responsibilities pertaining to the Nation's budget. All our work is to be carried out at the sites of operations and will include selected examinations of pertinent financial and other records of Government contractors and of organizations receiving loans, grants, or other forms of assistance from the Federal Government, such as State and local government, educational institutions, and other public and private organizations.

Our work in response to specific requests from chairmen of committees and Members of Congress continues to increase significantly. Accordingly, our work plans must be flexible so that we may be promptly responsive. Our plans must remain flexible to permit the assignment of staff to review important programs authorized by new legislation and program and activity areas which attract a special degree of congressional or public interest and concern.

To the extent practicable, reviews and audits are scheduled on the basis of our assessment of the resulting contribution to improved Government operations, giving consideration to such factors as the significance of programs and activities in terms of budget and impact on the public, experience with the adequacy of agency management practices, and congressional interests.

In addition to audits and reviews of programs and activities, division staff will review proposed legislation and participate with the Office of General Counsel in formulating reports on the proposed legislation to the appropriate legislative committees.

There has been continued growth in the budgeted amounts for the programs and activities subject to review and audit by the division, growing from a level of about $66 billion in fiscal year 1969 to over $182 billion in 1975. Legislation, such as the Rehabilitation Act of 1973, the Comprehensive Employment and Training Act of 1973, the Health Maintenance Organization Act of 1973, and the establishment of the Pension Benefit Guaranty Corporation for implementing the law enacted on September 2, 1974, relating to pensions, indicate that the budgetary and program significance of the Federal Government's role in the areas of health, manpower and education, and income security will continue to grow.

Brief comments on our work plans in each of the major program areas within the division's jurisdiction follow.

Health programs

The health-related programs of the Federal Government are carried out by several departments and agencies, many in conjunction with State and local governments or other non-Federal organizations. The principal departments and agencies, and proposed 1975 funding levels for their programs, are:

	Amount (billions)
Department of Health, Education, and Welfare	$26.3
Veterans Administration	3.4
Department of Defense	3.1
	$32.8

Other departments and agencies account for about $2.7 billion of health-related programs, bringing total Federal funding to about $35.5 billion for fiscal year 1975 or about 36 percent above the fiscal year 1973 level of $26 billion. About two-thirds ($23.6 billion) of the money is for health care financing (principally Medicare and Medicaid), and the next largest share is $4.5 billion for direct care (principally Veterans Administration and Department of Defense). Reviews of health-related programs have been divided into two separate responsibility areas--health financing and regulation and health research, resources, and services.

A. HEALTH FINANCING AND REGULATION

Our audit efforts will be directed to evaluating the management, administration, and effectiveness of the Federal health financing programs and protecting the health and safety of the consumer and the worker.

In fiscal year 1976 we will apply about 143 staff-years of professional effort to the audit and review of health financing and regulatory programs and activities. This represents an increase of 7 staff-years over the estimated level of effort in fiscal year 1975. This level of effort will allow us to continue to provide increased attention to the consumer protection functions of the Food and Drug Administration and the Consumer Product Safety Commission, the Federal Employees Health Benefits Program administered by the Civil Service Commission, and the CHAMPUS Program administered by the Department of Defense. We will continue to give considerable audit attention to the Medicare and Medicaid programs of the Department of Health, Education, and Welfare and the Occupational Safety and Health program of the Department of Labor.

Our objectives for fiscal years 1975 and 1976 will be to (1) continue evaluating the management, administration, and effectiveness of Medicare, Medicaid, CHAMPUS, and the Federal Employees Health Benefits Program and try to provide the Congress with meaningful information for use in its deliberations on National Health Insurance proposals, (2) impact positively on consumer protection laws, regulations, and standards from both the consumer and supplier viewpoints, and (3) provide information and objective recommendations for the use of the Congress in adjusting national occupational safety and health policy.

Specifically, we plan to evaluate:

--Implementation by the Department of Health, Education, and Welfare of the Social Security Amendments of 1972.

--Effectiveness of long-term care in nursing facilities.

--Program management and control, efforts to control costs, and quality of medical care under the Medicaid program.

--Impact and effectiveness of National Health Insurance.

--Federal programs aimed at insuring the safety and efficacy of cosmetics, biological products, medical devices, and diagnostic products.

--Programs and activities of the Consumer Product Safety Commission.

--Effectiveness of standards development and compliance programs to protect health and safety of workers.

B. HEALTH RESEARCH, RESOURCES, AND SERVICES

Our audit efforts will be directed toward improving accessibility and availability to health care, reducing the cost of care, assessing the quality of care provided, and improving health research.

In fiscal year 1976 we will apply about 148 staff-years of professioual effort to the audit and review of programs related to health research, resources, and services. This is an increase of about 7 staff-years over the estimated level of effort in fiscal year 1975. This will allow us to continue to provide adequate attention to the health research programs and activities at the National Institutes of Health and the health care and services delivery activities of the Department of Defense. It will also allow us to increase our efforts directed at newly established health programs and activities such as health maintenance organizations and professional standards review organizations.

Generally, our objectives for fiscal years 1975 and 1976 are to (1) improve and/or expand the health care delivery system, including assistance to State and local Governments and certain Federal beneficiaries, (2) develop information on critical manpower problems, including research, and deciding what GAO can do to solve them, (3) monitor and evaluate programs geared to insuring quality health care, and (4) monitor research efforts in biomedical science with emphasis on direction, program priorities, and use of funds.

Specifically, we plan to undertake major efforts directed at evaluating:

--The impact of Health Maintenance Organizations on the health care delivery system.

--Quality of health care provided at each echelon of the Veterans Administration health care delivery system.

--The supply and demand for physicians by speciality, maldistribution of physicians, utilization and training of nurses, and the supply and demand for dentists.

--Department of Health, Education, and Welfare efforts to implement a quality assurance program.

--Efforts directed towards the prevention of mental retardation through early intervention and treatment.

--Effectiveness of research efforts directed at preventing, controlling, and curing cancer.

--Effectiveness of treatment programs for alcohol and drug abusers.

--Effectiveness of direct delivery services to Federal beneficiaries.

C. MANPOWER AND EDUCATION PROGRAMS

Manpower and education programs are also carried out by several departments and agencies of the Federal Government. States, local governments, and other organizations have a major role in the administration and operation of these programs. The principal departments and agencies involved in manpower programs and the proposed 1975 funding levels for their programs are:

	Amount (billions)
Department of Labor	$6.8
Department of Health, Education, and Welfare	$1.5
Veterans Administration	$ .4

The principal departments and agencies involved in education programs and the proposed 1975 funding levels for their programs are:

	Amount (billions)
Department of Health, Education, and Welfare	$8.4
Veterans Administration	$3.2

In both areas we will continue to direct a major part of our effort to basic questions concerning the effectiveness of existing programs in achieving their objectives and the efficiency of their administration and operation.

In fiscal year 1976, we will apply about 175 staff-years of professional effort to these program areas, an increase of 8 staff-years over those estimated to be used during fiscal year 1975. This level of effort will permit us to continue evaluations of major education programs and certain categorical manpower programs operated by the Department of Labor; to initiate efforts to evaluate manpower "revenue sharing" programs and emergency employment projects being operated by State and local governments under the Comprehensive Employment and Training Act of 1973 as amended; to expand our efforts into previously unreviewed programs at the Office of Education, the Office of Human Development, and the National Institutes of Education in the Department of Health, Education, and Welfare; to continue reviews of educational and training assistance to veterans; to expand our reviews of programs aimed at rehabilitating handicapped persons; and to continue to expand our work on science education and energy manpower activities at the National Science Foundation. Some of our specific objectives, by line of effort, are:

Elementary and secondary education programs--continue reviews of programs for handicapped and educationally deprived children and assess programs to strengthen State educational agencies and develop supplemental educational centers.

Higher education programs--continue reviews of both grant-in-aid and guaranteed student loan programs and initiate review of programs that provided billions of dollars in loans to institutions of higher education for facilities construction.

Other education programs--review certain national priority programs (right to read, environmental and drug abuse education programs) and assess management activities of National Institutes of Education, including the controversial education voucher program.

National Science Foundation research programs, including energy related manpower training and science education--identify problems and issues in the Foundation's programs for developing improved methods for teaching science and math, and assess its activities in the emergency field of energy related manpower training.

Manpower revenue sharing--continue a sustained comprehensive review of Comprehensive Employment and Training Act of 1973 with special emphasis on title I and II programs (those operated by local and State sponsors).

Emergency employment projects--initiate reviews of the new public employment projects intended to cope with increasing unemployment.

Special manpower programs--review revised designs of the Work Incentive Program; assess special national priority (categorical) programs, particularly those dealing with Indians and migrants; and initiate a multiagency review of Federal efforts to aid poor persons 55 to 64 years of age.

Unemployment insurance and employment services--utilize information developed during a number of current specific congressional requests to undertake a comprehensive review of the effectiveness of the State employment services operations, particularly as these operations are impacted by the increase in unemployment insurance applications.

Veterans education and training programs--again using knowledge gained in providing direct assistance to House and Senate Veterans Affairs Committees, we will take a broad look at the results accomplished under the $3.6 billion-a-year GI bill and give attention to new programs being legislated by the Congress.

Vocational rehabilitation programs--continue work for the House Ways and Means Committee on the Beneficiary Rehabilitation Program and evaluate the Department of Health, Education, and Welfare's actions on our prior recommendations and its efforts to comply with recent legislative emphasis on rehabilitating the most severely handicapped.

D. INCOME SECURITY PROGRAMS AND AGENCYWIDE NON-FUNCTIONAL AREAS

Fiscal year 1975 income security programs will exceed $129 billion--more than 40 percent of the Federal Budget. Fiscal year 1976 will probably be similar. These programs maintain or supplement income of persons and families whose capacity for self-support is reduced by old age, disability, illness, unemployment, poverty, or death.

Our responsibility area includes pension, disability and insurance trust funds; old age, survivors and disability insurance; railroad retirement; worker benefits and protection; special benefits for disabled coal miners; the supplemental security income program; grants to States for maintenance payments and social services; and veterans' compensation, pension, insurance, and housing. The community action agencies under the newly created Community Services Administration, the operations of the new Legal Services Corporation, the Government's volunteer programs under ACTION, and the new responsibilities to be assumed by the Department of Labor under recently enacted pension legislation will also require our attention. As in the past, our efforts will also include reviewing supportive and administrative activities, including automatic data processing matters, on an agencywide basis.

We estimate 126 staff-years of professional effort will be expended in fiscal year 1975 and the 140 staff-years will be needed for fiscal year 1976. The increase for fiscal year 1976 represents an expansion of our work to include areas that have not been reviewed in some time and to provide new leadership and stimulation for solutions to social problems.

Planned efforts are fully consistent with GAO's mission to serve the Congress and offer suggestions for improved and more economical Government. Direct assistance to the Congress will continue at a level approximating at least 40 percent of our staff-years. We again plan significant assistance to the Senate Appropriations Subcommittee on Labor; Health, Education and Welfare; and related agencies in its review and hearings on agency budget requests. A significant effort will be made to meet the needs of the Congressional Budget Office--established under the Congressional Budget and Impoundment and Control Act of 1974.

Much concern exits and is growing regarding the integrity and internal security of the major cash payment programs and the soundness of the various trust funds associated with them. Several reviews in fiscal years 1975 and 1976, including reviews of internal audit effectiveness, are planned to deal specifically with these concerns. New and innovative approaches will be tried to get maximum utilization of our allocated resources. One such effort will be to assess the impact of all Federal programs directed to the aged using system analysis and modeling techniques. Another such effort will concern work to develop a framework for analysis of income transfer programs to identify known results of such programs, uncertainties in the estimates of these results, and gaps in our knowledge of the family income effects of these programs.

Our primary concern in our self-initiated work will continue to be for the American citizens for whom the income security and related programs are intended and our efforts will be directed toward suggesting ways in which the quality of life of these individuals can be improved consistent with the desires of the Congress. To this end we have developed for our pursuit 10 major lines of effort. These are

--welfare programs and related matters

--budget assistance to the Congress and agency internal controls,

--pension and compensation programs,

--community-based programs for the poor,

--discrimination in employment,

--programs for the elderly,

--improving and protecting wages,

--special programs for veterans,

--labor management service activities, and

--death-related veterans' benefits.

PROCUREMENT AND SYSTEMS ACQUISITION DIVISION

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	154	154	-
	Other	26	27	+1
	Consultant	3	3	-
	Total staff-years	183	184	+1
FIELD AND OVERSEAS	Professional & technical	310	311	+1
	Other	35	37	+2
	Total staff-years	345	348	+3
TOTAL	Staff-years	528	532	+4
	Positions at June 30	554	556	+2

SCOPE AND NATURE OF WORK PROGRAM

The responsibilities of the Procurement and Systems Acquisition Division span the entire spectrum of the procurement function. The division is concerned with (1) the establishment of needs and operational requirements, (2) the identification of technology gaps, (3) the support of research and development, and (4) the ultimate acquisition by the Federal Government of goods, services, and facilities of requisite quality within the time needed at the lowest reasonable cost through the use of contracts, leases, and grants.

Procurement programs and activities falling within the jurisdiction of the Division are administered largely by components of the Department of Defense, the National Aeronautics and Space Administration, the Atomic Energy Commission (Weapon Procurement), the General Services Administration, and the Renegotiation Board. These agencies are responsible for most of the procurement dollars represented by the Federal Budget. The division, however, is concentrating an increasing amount of its resources and efforts on multiagency and Government-wide reviews.

The following schedule shows the planned applications of Washington and field professional and technical staff resources during fiscal years 1975 and 1976 to accounting, auditing, and investigative work in the Federal procurement area.

Area of responsibility	Staffyears FY 1975	FY 1976	Change
A. Science and technology	83	83	-
B. Major acquisitions	190	190	-
C. General procurement	182	183	+1
D. Audit program direction	12	12	-
Total	467	468	+1

Consistent with and supporting the basic purposes of GAO, the Procurement and Systems Acquisition Division has established the following objectives.

--Evaluate and report on the effectiveness, efficiency, and economy of procurement and procurement-related functions of assigned agencies.

--Perform Government-wide functional reviews of procurement policies and practices involving science and technology, procurement administration, and major acquisitions.

--Maintain oversight of GAO's procurement work programs being performed in all agencies.

To perform the audit work of the Procurement and Systems Acquisition Division, three operating subdivisions--Science and Technology, Major Acquisitions, and General Procurement--have been established. Their areas of responsibility and objectives are described below.

A. SCIENCE AND TECHNOLOGY SUBDIVISION

The Science and Technology Subdivision is concerned with all aspects of the research and development process. This includes planning and policy-making procedures, ongoing administration and management control of programs and projects approved and funded, institutions and performers for research and development, and the application and use of science and technology stemming from federally sponsored research and development.

Audit assignments are directed at specific projects and activities wherein action can be taken to strengthen or improve the program as a result of the job. Assignments are in progress and/or planned for accomplishment during fiscal years 1975 and 1976 in the following areas:

--Policy, Planning and Budgeting--Improving the Planning of Research and Development Programs and the Allocation of Resources as Between Programs. Includes efforts concerned with the establishment of priorities and needs for research and development, the development of plans to meet needs, instances of deviations from plans, relationship of budget to policy and needs, and evaluation of planning techniques.

--Coordination of Efforts--Improving the Coordination of Efforts Between Sponsoring Activities. Includes efforts concerned with how and to what extent one segment of the research and development community coordinates its efforts with other segments. Coordination is required at all levels: within a Federal research and development organization, among Federal organization between Federal organizations and other public segments and the private sector, and between U.S. and foreign governments and private sectors. A lack of adequate coordination is demonstrated by an absence or deficiency of procedures, and most convincingly by evidence of non-planned duplication of efforts.

--Administration--Improving the Administration and Management of Programs Undertaken by In-House Laboratories, Universities, Federally Funded Research and Development Centers, and Other Contractors. Includes matters that relate directly to efficient and economical operation of research and development organizations, programs, and facilities and indirectly to their effectiveness. Examples are: solicitation of proposals, evaluation of proposals, selection of performers (in-house or out), type of contract used, use of contracts vs grants, use of cost-sharing, monitoring of projects and performers, control and use of equipment and specialized facilities (wind tunnels, test ranges, etc.), accounting procedures and practices, and misuse of funds.

--Effectiveness--Improving the Effectiveness of Selected Research and Development Programs. Includes efforts directed principally to the effectiveness of programs and performers--either where we have made (or attempted to make) an evaluation on our own or a review of the evaluations or lack of evaluations by the responsible Federal organizations.

--Use of Results--Improving the Utilization of the Results of Federal Research Efforts and/or the Transfer to State or Local Government Levels. Includes efforts related to actual use or nonuse of research and development results, including procedures and practices that have a bearing on whether or not results are adequately used. We know that it is often impossible to determine whether or not results are adequately used, particularly if basic or even applied research is involved. However, if the results are not adequately documented and disseminated, the possibility of adequate use is restricted. Matters such as data banks, documentation centers, and other technology transfer techniques are included under this category, even though they are also important mechanisms for coordinating efforts.

B. MAJOR ACQUISITIONS SUBDIVISION

The Major Acquisitions Subdivision is responsible for work relative to acquisition of major systems by the Department of Defense and civil agencies. This includes monitoring progress of individual systems through the various stages of the acquisition process--from initial determination of the requirement through development, production, and placement in use. This also includes continuous reviews of the management of selected phases of the acquisition process and periodic evaluations of the process as a whole.

The organizational structure of the subdivision is designed so that major areas of interest in the acquisition process will receive appropriate audit coverage. These areas fall into six broad categories which we have adopted as lines of effort. In addition, project managers are appointed for selected reviews that do not fall within one of the designated areas and are of sufficient importance to warrant special attention.

The six lines of effort and what each seeks to accomplish follow:

--Requirements--Improving the Process for Determining the Quantitative and Qualitative Needs for Major Weapon Systems. Includes efforts concerned with the processes used to (1) identify a need, (2) establish specific operational requirements, and (3) validate and confirm the requirements established. Particular attention is given to cost-benefit studies and consideration of alternatives.

--Testing--Improving Testing Process to Insure That Systems Being Acquired Meet Desired Performance Characteristics. Includes efforts concerned with testing policies and procedures, testing facilities, risk assessment, state-of-the-art of technologies involved, and actual performance of acquired systems.

--Weapons Systems--In-Depth Studies of Individual or Families of Major Weapon Systems. Efforts are directed at providing the Congress with data on cost, schedule, and technical performance of systems acquisition at significant congressional decision points, such as funding for (1) initiation of research and development, (2) start of full-scale development, and (3) production for deployment. Reports on cost schedule and performance are also prepared on an overall basis for major acquisitions.

--Civil Systems--In-Depth Studies of Systems Acquired or Financed by the Civil Agencies. Efforts are directed at providing the Congress with data on cost, schedule, and technical performance of systems acquisitions at significant congressional decision points on program financing. An overall report on cost, schedule, and performance of civil systems is proposed annually for the Congress.

--Cost Considerations--Improving Cost Estimating Capabilities, Controlling Increasing Costs of Major Systems, and Increasing the Credibility and Usefulness of Cost Reports. Includes efforts concerned with use of cost-effectiveness studies, life-cycle-cost estimating, design-to-cost, and increasing the usefulness of cost reports to management.

--Acquisition Strategy--Improving the Methods of Acquiring Weapons Systems. Includes efforts concerned with (1) increasing productivity, (2) providing economy in contractor operations, (3) improving specifications and analytical techniques, (4) integrating support systems, and (5) selecting appropriate contract type and incentive structure.

During fiscal years 1975 and 1976 we expect to give must greater emphasis to the area of requirements. We will be conducting studies in major mission areas so that the Congress will be better able to understand the needs of the military departments and the relationships of enemy threat, existing weapons systems, proposed weapon systems, and mission deficiencies.

During the next 2 years we also expect to give more emphasis to the adequacy of operational and preproduction testing--a matter that has been of major concern to the Congress and the procuring agencies. Particular attention will be paid to adequacy of test facilities, structure and conduct of test plans, and reporting of test results to agency management officials.

C. GENERAL PROCUREMENT SUBDIVISION

The General Procurement Subdivision is responsible for Government-wide procurement policies and practices employed in the expenditure of approximately one-fifth of the fiscal year 1975 Federal budget of $304 billion. In covering the procurement functions of the Department of Defense, General Services Administration, National Aeronautics and Space Administration, and the weapons programs of the Atomic Energy Commission, the activities of the subdivision involve almost 80 percent of the procurement expenditures of the Federal Government. The true impact of these expenditures is greatly increased by the fact that procurement expenditures may generate some two to three times their amount through the multiplier effect of spending through the several tiers of subcontracting.

The major thrust that the subdivision will be pursuing in fiscal years 1975 and 1976, are explained in the following seven lines of effort.

--Obtaining Reasonable Prices by Maximizing Competition and Monitoring the Pricing of Noncompetitive Contracts. In the coming year, we plan to continue reviewing practices of defense and civil agencies in establishing reasonable prices for procurements where competition is lacking. We are evaluating urgency designators and other limitations placed by users on procurement offices that may cause unwarranted restrictions in competition or favoritism in source selection. We plan to examine the implementation by agencies of standards and rules of the Cost Accounting Standards Board. Agencies award protest procedures and practices will be examined to see whether they are achieving fair and timely consideration of the protests and whether action is being taken to address the causes of the protests.

--Assuring Reasonable Cost and On-Time Delivery of Quality Products That Meet the Needs of the User. In the area of contract administration we are concerned principally with how efficiently Government resources are directed and applied and how effective that effort is in insuring reasonable cost and on-time delivery of quality products and services that meet the needs of the user. While past work has covered terminations, preaward surveys, value engineering, financing, contract changes, warranties, and quality assurance, much of the work generally tended to focus on discrete subareas of contract administration in a somewhat random pattern. The focus of our current efforts is on a meaningful overview of total agency efficiency and effectiveness.

--Reducing Costs by Promoting Efficiency and Integrity of Prime Contractors' Operations. Effort is being directed toward opportunities for improving contractors' operations by focusing attention on contract costs and evaluating such costs in terms of (1) need in the performance of the work, (2) benefits accruing to the Government, and (3) possible less costly alternatives. In addition, about $600 million in private pension plan costs currently charged to Government contracts are being examined. Findings to date indicate inequities in charges to contracts and support a need for a Cost Accounting Standard in this area.

Effort was initiated las year in response to a congressional request to investigate allegations of kickbacks. Currently, we are searching for better ways to identify system weaknesses, especially in the absence of specific allegations. Since the start of this work, GAO has received other allegations of kickback activities which suggest the need for continued vigilance in this area.

--Achieving National Policies Through the Procurement Process. Our current attention is on procurement policies relating to energy and materials conservation. Despite demonstrated savings in energy and natural resources, there appears to be some reluctance within key agencies to fully encourage or lend management support to conservation. We plan to emphasize to agency heads the need to provide this leadership and the advantages of using recycled products. We also plan to maintain a continued level of concentrated effort in contractor plants to make industry fully aware of the importance that GAO places on energy and materials conservation.

--Capability of Selected Industrial Bases to Respond to National Needs. Through broad scope studies involving specific industries, we intend to identify issues of national significance impacting on Federal procurement which point to the need for improvements of agency policies through legislation. Our concern is with the capability of selected industrial bases to respond to national needs. Increased emphasis on certain Government programs causes surges in demand on an industry. There may be reasons why the industry cannot or will not increase its capacity in response to this demand. This can result in inflation or schedule disruptions due to excess of demand over supply. We plan to study ways for the Government to modulate demand surges or increase supply by encouraging added industry capacity.

--Streamlining and Simplifying Federal Procurement (GSA's Role in Federal Procurement). The Federal Supply Service of GSA was created to give the Government an efficient and economical system for the procurement and supply of goods and services. Currently, we are examining how GSA can improve its procurement leadership responsibilities by obtaining knowledge about its customers, their needs, and buying practices and by monitoring agency procurement practices to insure compliance with mandatory GSA buying policies and regulations. We are examining the validity of contractors' catalogs which are used to set the prices on indefinite quantity schedules contracts available to all Federal agencies.

--Effectiveness of Executive Branch Role in Setting Procurement Policy. Recent legislation created an Office of Federal Procurement Policy (OFPP) to provide overall direction and prescribe procurement policies and regulations for executive agencies. We plan to periodically apprise the Congress of the effectiveness of new policy functions assigned to the OFPP and to make any necessary recommendations for improvement. We will continue the ongoing monitoring of executive branch implementation of the Procurement Commission's recommendations, giving the highest priority to those associated with OFPP functions. Based on priorities established from congressional interest and identified problem areas, subsequent efforts will focus on effectiveness of selected OFPP functions.

RESOURCES AND ECONOMIC DEVELOPMENT DIVISION

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	236	243	+7
	Other	36	37	+1
	Consultant	(a)	(a)	-
	Total staff-years	272	280	+8
FIELD AND OVERSEAS	Professional & technical	222	245	+23
	Other	25	30	+5
	Total staff-years	247	275	+28
TOTAL	Staff-years	519	555	+36
	Positions at June 30	547	587	+40

[a]To be provided by Management Services Reserve.

SCOPE AND NATURE OF WORK PROGRAM

The Resources and Economic Development Division (RED) is responsible for the auditing and investigative functions of the General Accounting Office in those civil departments, agencies, and commissions having a primary responsibility for environmental, resource management, economic development, and related programs. The departments and agencies under RED's audit cognizance include Agriculture, Interior, Transportation, Housing and Urban Development, and such independent agencies and commissions as the Environmental Protection Agency, whose programs and activities impact on many other Government agencies as well as broad segments of private industry and the Nation's citizenry.

RED has four responsibility areas--Agriculture and Interior Programs; Nuclear, Water, and Environmental Programs; Housing Programs; and Transportation Programs. For the most part, these areas represent an attempt to bring like functions together under a single operating group head, while retaining the advantages inherent in having staffs located at the sites of departments and agencies for which they have prime operating responsibility. A small staff in the director's office has responsibility for overall planning and coordination of audit efforts; staffing of audit assignments; review of audit reports; control of congressional cases and other technical matters; and, occasionally, supervising selected congressional requests and project manager assignments.

The Washington staff of RED performs its functions with assistance from the staffs of the Field Operations Division regional offices and the International Division branch offices.

The following schedule shows the planned application of Washington and field professional staff resources during fiscal years 1975 and 1976 to auditing and investigative work by each RED responsibility area.

Area of Responsibility	Staff-years FY 1975	FY 1976	Change
A. Agriculture and Interior Programs	121	128	+7
B. Nuclear, Water, and Environmental Programs	140	149	+9
C. Housing Programs	95	109	+14
D. Transportation Programs	86	87	+1
E. Office of the Director	16	15	-1
Total	458	488	+30

REVIEW OF PROGRAMS AND ACTIVITIES

During fiscal year 1974, a total of 90 reports on programs and activities within RED's area of responsibility were submitted to the Congress, its committees, and its Members. Five reports were issued to heads of departments and agencies, copies of which were frequently furnished to cognizant congressional committees for their information and use; 19 reports were issued to other agency officials. Our reports provide information for the Congress and agencies on the management and effectiveness of Federal programs; contain recommendations designed to improve program management; and, in some instances, contain proposals requiring legislative consideration.

Budgeted amounts for departments and agencies under RED audit cognizance totaled about $40 billion in fiscal year 1975. In addition, the Department of Housing and Urban Development expects to insure mortgages of about $6.5 billion this year and the Department of Agriculture expects to insure loans to rural residents for housing and other purposes of about $3.9 billion. Such figures, however, do not adequately indicate the importance of many of the programs under RED audit cognizance because dollars alone cannot be used as a criterion for judging significance. For example, programs relating to energy, the environment, transportation safety, consumer protection, raw materials shortages, and preservation of natural resources are important more because they impact broad segments of society than because of the dollar cost involved.

RED's work plans for fiscal year 1976 will focus on (1) the identification of major issues confronting the Congress or otherwise significant within each of its responsibility areas where GAO can and should make a contribution and (2) the development of lines of audit effort in areas impacting the identified issues. In line with this focus, we expect to devote a major portion of our efforts to program results or evaluation-type reviews, many of which will be multiagency in nature while continuing to devote a portion of our efforts to reviews of management efficiency and economy.

We anticipate that our audit efforts in energy and other shortage areas, such as raw materials and food, will require an increasingly significant portion of our staff resources as further emphasis is placed by several of our operating groups on the initiation of evaluations in these areas. We anticipate that we will devote nearly half of our work efforts in fiscal year 1976 to congressionally directed work, a significant percentage of which involves major program evaluations requested by committee and subcommittee chairmen.

Summary comments on work plans for fiscal year 1976 in each of RED's responsibility areas follow.

A. AGRICULTURE AND INTERIOR PROGRAMS

The activities subject to review by the Agriculture and Interior group are carried out principally by the Departments of Agriculture and the Interior, except for (1) certain water and power activities of the Department of the Interior assigned to RED's Nuclear, Water, and Environmental Programs group and (2) foreign agricultural activities assigned to the International Division.

The Department of Agriculture administers about 250 programs which impact not only on all stages of food and fiber production but also on many aspects of life in America, both on and off the farm. For fiscal year 1975 the Department requested budget authority of about $14 billion. The Department, through the Farmers Home Administration, expects to make insured loans to rural residents for housing and other purposes at a current annual rate of about $3.9 billion.

The agencies of the Department of the Interior included under this group are assigned significant responsibility areas including the (1) managing vast Federal land holdings, (2) developing conservation of mineral resources, including energy-source fuels, and (3) upgrading the quality of life for American Indians on reservations. To carry out its programs the Department of the Interior requested budget authority of $3.4 billion for fiscal year 1975.

In fiscal year 1976, we will apply about 128 staff-years of effort to reviews of programs in the Agriculture and Interior area--an increase of 7 staff-years over the 121 staff-years estimated for fiscal year 1975. The identified issues which we expect to address and the types of audit efforts we expect to undertake are briefly summarized below.

1. Effectiveness of Federal Efforts to Manage, Conserve, and Develop the Nation's Raw Materials. The world demand for materials has grown to the extent that the United States is experiencing greater difficulty in obtaining reliable supplies of materials at reasonable prices and increased competition in selling many manufactured articles. We plan to continue our efforts in evaluating timber management programs to determine the effectiveness with which Federal forest lands are managed for multiple use and sustained yield of all forest resources, including timber, range, recreation, watershed, fish, and wildlife. Our efforts will also be intensified in the nonfuels minerals area involving (1) mineral conservation efforts of the Federal Government--including research and development in mineral substitutes recovery and recycling, and (2) Government mineral policies, organizational structure, and mineral position.

2. Effectiveness of Federal Programs Designed to Develop Rural America. The enactment of the Rural Development Act of 1972 greatly expanded previously existing rural development programs and activities and assigned prime responsibility for the development of rural America to the Department of Agriculture. We plan to complete reviews on (1) the improvements needed in Federal research and extension programs to help small farmers with their problems, (2) the actions needed to improve the effectiveness of Federal efforts to locate facilities in rural areas, (3) the organization and staffing of the Farmers Home Administration and its ability to effectively carry out its rural development missions, and (4) the effectiveness of Federal economic development programs in providing jobs and increasing incomes in rural areas.

3. Effectiveness of Federal Efforts to Alleviate Hunger and Improve Nutrition. In recent years, problems relating to hunger and nutrition have received increased national attention. We plan to continue our efforts to evaluate the food stamp and other family food assistance programs and child feeding programs to determine if they are properly administered and are achieving their objectives.

4. The Role of Farm Programs in Maintaining an Adequate Supply of Agricultural Commodities at Stabilized Prices and Promoting the Well-being of Farmers. In recent years there has been increasing concern over the growing shortage of food and the supply outlook for agricultural commodities. We are continuing to review the effectiveness of the Department of Agriculture's farm programs in (1) promoting the production of agricultural commodities in short supply, (2) promoting orderly marketing of these commodities, and (3) stabilizing, supporting, and protecting farm income and prices.

5. The Effectiveness of Managing and Conserving Energy Resources, the National Energy Problem. To address this important issue, we will continue to evaluate (1) the effectiveness of the Federal coal research programs, with emphasis on the results of these programs in providing alternative sources of environmentally acceptable energy, and (2) the administration of leasing programs for energy-source fuels on Federal lands, with emphasis on whether these programs are encouraging the exploration and development of fuel sources.

6. Audit efforts will address other issues, including (1) the effectiveness of Federal efforts to insure that safe food products are provided to consumers at fair and competitive prices, (2) the progress being made by Federal programs designed to improve the employment, income, housing, health, and educational status of the American Indians, (3) the effectiveness of the management of Federal recreational programs, and (4) the effectiveness of land management activities and uses of public lands.

B. NUCLEAR, WATER, AND ENVIRONMENTAL PROGRAMS

The activities subject to review by the Nuclear, Water, and Environmental Programs group are carried out principally by the Atomic Energy Commission (AEC), the Environmental Protection Agency (EPA), and several agencies involved in water and power programs of the Federal Government. The major responsibilities of these agencies are briefly discussed below.

--AEC is responsible for the development, use, and control of atomic energy; the production of nuclear weapons for the military; and the promotion of peaceful uses of atomic energy. AEC requested about $3.6 billion to carry out its activities in fiscal year 1975.

--EPA establishes and enforces environmental pollution standards, performs environmental research and development, and provides grants to municipalities for various purposes. For fiscal year 1975, outlays for pollution control and abatement programs will be about $4 billion, an increase of $1.4 billion over fiscal year 1974. Most of the increase will be for grants for construction of waste treatment plants, which will total $3.4 billion in fiscal year 1975.

--Water and Power (W&P) agencies include the Corps of Engineers (Civil Functions), the Bureau of Reclamation and several other agencies of the Department of the Interior, and the Tennessee Valley Authority. In addition to carrying out substantial flood control and power production programs, these agencies are becoming increasingly involved in programs relating to the management and improved use of the Nation's water resources, development and maintenance of potable water, the provision of water-related recreational facilities, and environmental protection. The W&P agencies will spend about $2.4 billion to carry out their activities in fiscal year 1975.

We expect to apply about 149 staff-years of audit effort in the Nuclear, Water, and Environmental Programs area during fiscal year 1976--an increase of 9 staff-years from the 140 staff-years estimated for fiscal year 1975. We expect to devote our audit efforts to the following specifically identified issues.

1. Management and Development of Water and Related Land Resources. Increasing population and economic development, higher levels of income, and greater leisure time are factors which are contributing to water shortages. As a result, major efforts are underway to determine the effectiveness with which existing water resources are managed and new resources are developed, including specific evaluations relating to (1) the use of Federal water for irrigation purposes, (2) the effectiveness of Federal programs to develop alternative sources of potable water, and (3) the activities of the Corps of Engineers in meeting National policies and goals for providing recreational opportunities to the general public. We also plan to initiate major reviews in areas such as (1) the effectiveness of Federal efforts to improve navigation on U.S. waterways, (2) the management and operation of water resources projects to insure the maximum public advantage and use of these facilities, (3) land and water management activities and the effect on water supply, and (4) Federal, State, and local cooperative efforts in meeting the water supply needs for metropolitan areas.

2. The National Energy Problem. The energy-related work of the Nuclear, Water, and Environmental Programs group will be directed toward evaluating Federal activities relating to the production, distribution, conservation, and use of electric power and the production and use of nuclear power as a viable energy supply source for meeting the Nation's immediate and long-range energy needs. We plan to monitor the formation of the Energy Research and Development Administration (ERDA) and the Nuclear Regulatory Commission (NRC) created by the Energy Reorganization Act of 1974.

3. Environmental Protection. The protection of the environment and control of pollutants has increasingly concerned the Government and, in fact, the Nation. We plan to continue work relating to Federal programs for (1) air and water pollution, (2) solid waste disposal and resource recovery, and (3) pesticide control. Resource recovery is particularly important because it may provide an answer to the ever increasing volume of solid waste and may help conserve dwindling material resources. We also plan to initiate a major effort relating to the abatement of noise pollution. Our efforts will be adapted to adequately consider the numerous legislative changes in the environmental area.

4. Protection of the Public from Radiation Hazards. AEC attempts to fulfill its legislative mandate to protect the public from radiation hazards through a system of regulation which includes all phases of construction and operation of nuclear facilities and production of nuclear materials. We continuously evaluate the effectiveness of AEC's programs for protecting the public health and safety from the hazards of radiation; currently this includes

evaluations of (1) the status of AEC's progress in controlling highly radioactive wastes and the effectiveness of AEC programs for disposing of other radioactive wastes, (2) the effectiveness of efforts to control radiation hazards from uranium mill tailings, (3) the effectiveness of AEC's environmental protection programs in the licensing of commercial nuclear power reactors, and (4) the effectiveness of AEC's licensing program for users of radioactive materials.

5. Our future audit efforts will include (1) a followup review of AEC's reactor inspection program with major emphasis on the quality assurance programs of licensees and their vendors, (2) evaluations of AEC's programs for monitoring radioactive emission levels surrounding nuclear power reactors and (3) evaluations of AEC's efforts to improve reliability and maintainability of nuclear power reactors.

C. HOUSING PROGRAMS

The Department of Housing and Urban Development (HUD) administers a wide range of programs and activities designed to achieve the legislatively established housing goal of providing a decent home and a suitable community environment for every American family. In fiscal year 1975, HUD will spend about $5.6 billion on the programs for which it has responsibility. During fiscal year 1975, HUD expects to insure mortgages valued at about $6.5 billion.

The activities of HUD have been and will continue to be of great interest to the Congress and the public because they are highly visible and directly affect the lives and living environment of millions of Americans. During fiscal year 1976, we expect to apply about 109 staff-years of audit effort in this area--an increase of 14 staff-years over the 95 staff-years estimated for fiscal year 1975--to the issues identified below.

1. Effectiveness of HUD's Efforts to Meet the Nation's Housing Challenge Through Mortgage Insurance Programs. HUD provides insurance for mortgage loans under a variety of programs, e.g., lenders are insured against losses on loans to finance the purchase of new and existing houses, mobile homes, home improvements, cooperative housing units, rental project housing, mobile home parks, nursing homes, and nonprofit hospitals. At the end of February 1974, the estimated outstanding balance of insurance in force was $85 billion for all the insurance programs. During the current period of inflation, the number of single family and multifamily housing projects acquired by HUD because of borrower defaults has risen substantially. Disposing of this hugh inventory of properties has been a problem for HUD. To address this issue we plan to assess (1) HUD's use of an "as is" sales technique to accelerate the disposition of its inventory of acquired single-family houses, (2) the reliability of the cost certifications furnished in connection with insured mortgages on multifamily housing, and (3) various Government agencies' role in the secondary market for mortgages.

2. Effectiveness of the Low-Rent Public Housing Programs. The United States Housing Act provides for a low-rent public housing program which makes decent, safe, and sanitary housing available to low-income people at rents they can afford. Loans and annual contributions are made to local housing authorities (LHAs) to finance the program. The President has identified direct cash assistance as the most promising approach to help lower-income families meet their housing needs because of the advantages of freedom of choice for the families, less inequity, and reduced costs. HUD has undertaken an experimental housing allowance program along these lines. As an interim step towards cash assistance, HUD plans to initiate a revised leasing program under which private property owners (and not LHAs) will be responsible for all operations of the leased building. To address the issue, we plan to assess (1) the comparative costs of alternative methods of providing housing under HUD-supported programs, (2) the effectiveness of HUD's implementation of its experimental housing allowance program, (3) HUD's implementation of its revised leasing program, and (4) the impact of HUD legislation on providing safe, decent, and sanitary housing for Indians.

3. Effectiveness of HUD's Efforts to Promote Community Development. The Housing and Community Development Act of 1974 authorizes block grants for community development. The block grant program eliminates the community development categorical grant system which financed a broad range of physical and social development activities. The new program replaces Model Cities, Urban Renewal, Grants for Neighborhood Facilities, Open Space Land, Grants for Basic Water and Sewer Facilities, Rehabilitation Loans, Public Facility Loans, Public Works Planning Advances, and Advance Acquisition of Land. The primary objective of the new program is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. With the passage of the new block grant program, we plan to assess (1) the effectiveness of HUD's transition to and implementation of the block grant concept and (2) the implementation of and the results achieved under the block grant program in selected cities.

4. Other issues being addressed include the effectiveness of (1) actions taken by Federal agencies to seek and promote the use of alternative materials for housing construction and (2) Federal efforts to conserve energy and minimize the impact of material shortages in Federal housing programs. We will continue our efforts in assessing the effectiveness of other major HUD program areas including Federal crime insurance, Federal flood insurance, Federal disaster assistance, research and technology activities, and the Interstate Land Sales Registration.

D. TRANSPORTATION PROGRAMS

The Department of Transportation (DOT) is responsible for developing and implementing national transportation policies and programs to provide fast, safe, efficient, and convenient transportation. DOT spends over $9 billion per year, most of which is financed from the receipts of trust funds for highways, airports, and airways. The Department's many programs cover a spectrum of activities ranging from grants-in-aid to regulation and law enforcement. The Transportation Program group is also responsible for auditing activities of the National Transportation Safety Board, the Washington Metropolitan Area Transit Authority, and the National Railroad Passenger Corporation (AMTRAK).

In fiscal year 1976, we will apply about 87 staff-years of effort to reviews of programs in the Transportation area--an increase of 1 staff-year over the 86 estimated for fiscal year 1975--to the issues summarized below.

1. The Adequacy and Effectiveness of Federal Actions and Assistance for Improving and Maintaining a Sound Nationwide Transportation Network. Billions of dollars will be required annually to keep our present transportation systems from collapsing; billions more are needed for improvements. Recent indications are that the airline industry may be on the verge of requiring Federal loan guarantees and financial assistance programs similar to those established for the railroad industry. Audit efforts to address this issue include assessments of (1) whether DOT considers the impact on all modes of transportation when developing policies and programs designed to regulate or assist an individual mode, (2) DOT's progress in establishing national transportation policies and programs, (3) the progress of the U.S. Railway Association and the Consolidated Rail Corporation in implementing the Regional Rail Reorganization Act of 1973, and (4) examinations into selected aspects of AMTRAK's operations.

2. The Effectiveness of DOT's Efforts to Promote Transportation Safety. Considerable interest is continually expressed concerning the safety issue in transportation. DOT's responsibilities include various safety regulatory functions over all forms of transportation, providing financial assistance for State safety-related activities, and conducting and sponsoring research and development into transportation safety matters. Audit efforts addressing this issue will focus on (1) airmen and aircraft safety regulations, (2) safety of railroads and railroad-highway grade crossings, (3) traffic enforcement programs and use of traffic records, and (4) progress made in improving hazardous sections of highways, gas and oil pipeline safety, and motor vehicle safety. We expect to consider various aspects of safety research, including prototype demonstrations.

3. Facilitating the Movement of People in Urban Areas. The Federal contribution for urban transportation assistance has continued to expand in view of the need to conserve energy, the increasing concentration of people and vehicles in the urban areas, and the deteriorating condition of mass transportation services and facilities in these areas. We will continue efforts to evaluate (1) the status of METRO's costs and construction progress, (2) maintenance standards on commuter railroads, and (3) the mass transit grant approval process. We plan to assess Federal and other efforts being made to provide financial and technical support, including research and development, for constructing, improving, and operating urban mass transit systems and highway transportation in urban areas.

4. Other issues being addressed include (1) the effectiveness of DOT's management of its various programs, (2) efforts to minimize the potential social and environmental aspects resulting from transportation policies and programs, and (3) action being taken to conserve energy and scarce raw materials in transportation programs.

TRANSPORTATION AND CLAIMS DIVISION

		FY 1975	FY 1976	Change
A. To transfer to GSA	Professional & technical	224	226	+2
	Other	214	178	-36
	Total staff-years	438	404	-34
	Positions at June 30	424	395	-29
B. To remain in GAO	Professional & technical[a]	127	127	-
	Other	54	44	-10
	Total staff-years	181	171	-10
	Positions at June 30	184	164	-20
Total	Staff-years[b]	619	575	-44
	Positions at June 30	608	559	-49

[a] Includes five staff-years of field and overseas support.
[b] In addition to the above staffing plans, overtime is used to cope with backlogs and fluctuating

The General Accounting Office Act of 1974 amended the Transportation Act of 1940 by relieving GAO of responsibility for the postaudit of all billings under standard Government transportation forms. As a result of this legislation, the manpower plan for the Transportation and Claims Division in fiscal year 1976 has been divided into the two parts which will be discussed in this section:

--One part consists of those functions to be transferred to the executive branch to perform the transportation rate audit. These functions currently require 438 staff-years and are projected to require 404 in fiscal year 1976. The full budgetary support, both for the personnel and related costs to be transferred, is included in our fiscal year 1976 budget request.

--Functions to remain in GAO after the transfer consist of (1) agency reviews and assistance audits covering administrative policies, practices, and procedures of the executive agencies to whom audit and claims settlement responsibility is assigned and (2) continued performance by GAO of statutory responsibility in settling doubtful and appeal claims against the United States--and claims by the United States and related debt collection. These continuing functions will require 181 staff-years in fiscal year 1975 and 171 staff-years in fiscal year 1976.

A. FUNCTIONS TO TRANSFER TO GSA (TRANSPORTATION RATE AUDIT)

The transfer of the transportation rate audit from GAO to the General Services Administration (GSA) will occur not earlier than October 1, 1975, and not later than September 30, 1976. To minimize any adverse impact on personnel and on operations, we plan to transfer an intact, fully operational organization.

We have been channeling significant work effort to insure a smooth transfer of these functions while protecting the rights and safeguarding the interests and well-being of the personnel affected. A high-level steering committee and a full-time multidisciplined staff under a senior projects director was established in February 1974 to coordinate and facilitate the transfer.

Our greatest effort has been directed toward accelerating the automation and simplification of the transportation audit prior to its transfer. Considerable progress has been made.

--The domestic air passenger automated audit system will be installed early in calendar year 1975.

--We have completed the basic design of a foreign air passenger automated audit system and expect to begin negotiation to obtain the necessary tariffs in computer-acceptable form in the near future. This system is scheduled for implementation early in calendar year 1976.

--We are progressing well with our system for general commodities and expect to receive support from the military finance centers in furnishing us the payment data necessary for the audit in computer-acceptable form. Our joint effort with DOD to improve the transportation data collection system is described under the "Agency Reviews and Assistance" section. We expect that major portions of the system will be implemented by January 1976.

We have also made substantial progress toward automating the transportation accounts payable and receivable operations in a form which can be transferred intact to GSA.

The above actions will, when consummated, produce savings of 34 clerical staff-years in fiscal year 1976 in the functions scheduled for transfer to GSA. The reduction in staff-years will have no adverse effect on employees since work force needs will be balanced by means of normal attrition and by clerical employees entering upward mobility programs.

Up to the time of the transfer, we will continue to give particular emphasis to counseling, developing, and training the personnel who will be transferred. GSA officials have assured us that career development opportunities at their agency are excellent, that they are fully committed to the principles of equal employment opportunities, and that upward mobility programs would be continued.

B. FUNCTIONS TO REMAIN IN GAO

Two principal activities will continue to be performed (1) agency reviews and assistance and (2) payment and debt settlement.

Area of Responsibility	Staff-years FY 1975	FY 1976	Change
Agency reviews and assistance	27	27	-
Payment and debt settlement	143	133	-10
Executive direction	6	6	-
Field support	5	5	-
Total	181	171	-10

1. AGENCY REVIEWS AND ASSISTANCE

This program requires 27 staff-years each in fiscal year 1975 and fiscal year 1976. Two-thirds of the effort is devoted to transportation programs and one-third to general claims programs. Four significant lines of effort are involved in this work in fiscal years 1975 and 1976, as discussed below.

Improve transportation and traffic management and executive agency audit of payments

This is a continuing line of effort closely related to the division's responsibility for the audit of transportation payments. Department of Defense (DOD) shipment data received monthly on automatic data processing tapes from the Military Traffic Management Command is rearranged by computer to facilitate analysis of traffic patterns to identify, review, and report excess transportation costs resulting from management errors.

In a joint effort with DOD, we have developed an improved transportation data collection system which will include payment information and information needed for automated audit and traffic management. The new data should be available in April 1975 and in conjunction with our microfiche/microfilm system should eliminate the need for original DOD transportation documents to be sent to GAO, streamline and facilitate the processing and audit of military transportation payments, and expedite the identification and analysis of excess transportation costs due to management errors.

We are reviewing the Military Sealift Command's payments to ocean carriers and subsequent billings to the services and the procedures covering the transportation of nonappropriated-fund goods to insure that appropriated funds are not being improperly used.

The General Accounting Office Act of 1974 was enacted to, among other things, transfer the transportation audit function from GAO to GSA. Authority previously has been given to the Military Sealift Command, the Military Airlift Command, and the State Department to audit and retain certain transportation payments. We are therefore continuing to develop techniques for review at the various agency audit sites and will schedule reviews of the economy, efficiency, and effectiveness of the agencies' audit operations just as we do for other categories of expenditures and operations.

Improve agencies' payment and debt claims procedures and operations

We are continuing to review agencies' regulations, procedures, and operations for claims by and against the Government and for waivers of erroneous payments of pay. Efforts are directed primarily to (1) minimizing the incidence of erroneous payments and insuring institution of corrective action to avoid repetition of the same types of errors, (2) increasing the effectiveness of agency debt collection procedures and operations, and (3) insuring maximum uniformity in agency waiver operations under 5 U.S.C. 5584. This is a continuing line of effort in an area of increasing concern to the Congress.

We have been working with personnel from ACTION and the Medicare recovery program, Department of Health, Education, and Welfare, to help them establish and carry out effective debt collection operations. Reports are in process and should be issued early in fiscal year 1975. Included in our plans for fiscal years 1975 and 1976 are reviews of debt collection procedures on federally insured student loans under the guaranteed student loan program and debt collection and waiver processing operations in regional offices of the Veterans Administration. We also plan reviews and reports to the Congress on the operation of the waiver laws, including those for military personnel enacted October 2, 1972, and for employees of the legislative branch enacted July 25, 1974.

Develop techniques for freight rate simplification

We have rescheduled and staffed our project to simplify the present complex rate structure which makes the determination of the proper charges for freight transportation a complex, time-consuming, and costly task for the Government and the transportation industry.

Our approach at this time will be in four basic areas: (1) analysis of data generated during the Senator Hart section 22 study, (2) sensitivity analysis of the rail and motor costing formulae which will form the basis for our alternative rate structure, (3) analysis of data from the Military Traffic Management Command with the goal of building a pilot rate structure for one group of commodities, and (4) generalization of our experience with the one commodity group to encompass all shipping activity in rail and motor transportation currently moving under freight rates legalized under section 22 and other parts of the Interstate Commerce Act.

The goal of our study will be the creation of a method of pricing transportation service which (1) is independent of the present system of price lists or tariffs, (2) is computerizable, (3) is of such a nature that for a given set of input factors--origin, destination, car type, date, weight, and carrier--one and only one freight price will be produced, and (4) will maintain, at least for the foreseeable future, the same economic relationships between the carriers and the Government as exists today.

Improve carrier billing and agency procurement and paying practices for transportation services

This is a continuing line of effort to complete the implementation of the Joint Agency Transportation Study recommendations and expand our efforts to simplify and reduce transportation-related documentation and paperwork beyond the scope of the joint agency study.

On April 1, 1974, Government agencies started using the revised U.S. Government bill of lading providing for carriers' certification of delivery. We have been working with the carriers and agencies to resolve problems arising from the actual use of the revised form.

The last major recommendation to be implemented involves establishing a realistic minimum below which loss and damage claims will not be initiated. DOD has just completed its study of the matter. We will evaluate the study and coordinate with the Office of Management and Budget an appropriate modification to the present minimum and simplification of loss and damage forms.

We are working with DOD; General Services Administration; the Office of Facilitation, Department of Transportation; the National Committee on International Trade Documentation; and the Transportation Data Coordinating Committee on various aspects of paperwork simplification. Active projects include the establishment of uniform code systems for transportation data; the simplification and alignment of carriers' and shippers' transportation documents, including the Government bill of lading and the U.S. Standard Master for International Trade; and a uniform bill of lading for all Government household goods shipments, military and civil.

2. PAYMENT AND DEBT SETTLEMENT

This work requires an estimated 143 staff-years in fiscal year 1975 and 133 staff-years in fiscal year 1976. The reduction of 10 staff-years will result from automation of accounts receivable and accounts payable functions during calendar year 1975.

The status of the payment and debt settlement claims work is discussed below:

Payment claims

On June 30, 1974, we had on hand 3,332 claims. Included in our workload during fiscal year 1974 were 2,042 overtime claims of Federal Protective Service (FPS) personnel, GSA, Region 3, based on Baylor v. United States, 198 Ct. Cls. 331, which were processed to GSA for final settlement. We anticipate that approximately 500 claims from FPS personnel in other regions of GSA and approximately 600 claims from guards in various other Government departments, based upon the Baylor decision, will be settled by Payment Claims Branch during fiscal year 1975. We further anticipate receipt and settlement of approximately 400 claims for overtime from hospital attendants at the Veterans Administration Hospital, Augusta, Georgia, which are based on Bates v. United States, Ct. Cls. No. 152-68, and Anderson v. United States, Ct. Cls. No. 151-68. We anticipate receipt of approximately 9,000 claims in fiscal year 1975, the same number as were received in 1974.

During fiscal year 1974, Payment Claims Branch furnished 312 reports on payment claims to the Congress. In addition, 243 interim status reports were furnished on settlements which were delayed, usually pending receipt of administrative reports including those requiring military histories from the National Personnel Records Center, St. Louis, Missouri, damaged by a major fire in 1973. We anticipate about the same level of activity in fiscal year 1975.

Debt claims

During fiscal year 1974, our Debt Branch disposed of 26,580 debt claims (approximately 6 percent more than were disposed of in fiscal year 1973), leaving a workload of 36,651. During the same period the amount of collections, with a dollar value of $4.9 million, increased by approximately 23 percent. The number of accounts under collection at June 30, 1974, totaled 14,802.

During fiscal year 1974, the inventory of uncompleted debt adjudication cases increased by 978, or 26 percent, to a total of 4,516 cases. This represents approximately 3 1/2 staff-years of technical effort.

We do not anticipate any decline in the large volume of uncollectible debts received from the Armed Forces during the year ending June 30, 1975. The volume of waiver claims considered under 5 U.S.C. 5584, 10 U.S.C. 2774, and 32 U.S.C. 716 increased in excess of 300 percent during fiscal year 1974. A further increase in the volume of waiver cases is expected during the current fiscal year in the military area as more publicity is given the military waiver bill.

The large volume of Veterans Administration uncollectible debts reported during fiscal year 1974 is expected to continue during fiscal year 1975. The Office of Education, Department of Health, Education, and Welfare, reported relatively few uncollectible student loan debts during fiscal year 1974. However, a very substantial increase in volume of these cases is expected during fiscal year 1975 as a result of the large number of loans being defaulted, the recent sixfold increase in Office of Education personnel assigned to processing indebtedness cases, and the overall increased collection activity of that office. The Bureau of Health Insurance, Social Security Administration, reported 22 medicare overpayment cases during fiscal year 1973 and 468 during fiscal year 1974. We expect the volume of medicare cases to be reported during the fiscal year ending June 30, 1975, to equal or exceed the combined total reported during the 2 prior fiscal years.

FIELD OPERATIONS DIVISION

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	5	5	-
	Other	4	4	-
	Total staff-years	9	9	-
FIELD (For FOD use only)[a]	Professional & technical	176	179	+3
	Other	20	22	+2
	Total staff-years	196	201	+5
TOTAL	Staff-years	205	210	+5
	Positions at June 30	225	221	-4

[a] See page 2 for use of field resources by other divisions and offices.

SCOPE AND NATURE OF WORK PROGRAM

The Field Operations Division consists of a central office in Washington and 15 regional offices located in principal cities throughout the United States. The Director, Field Operations Division, with the assistance of his staff, supervises the 15 regional offices which have total staff of approximately 2000 personnel. The director is responsible to the Comptroller General for the operation and administration of the division.

AUDITS PERFORMED BY FIELD OPERATIONS DIVISION

Designated regional offices have full responsibility, under the direction of the Field Operations Division, for the financial audits at the four Military Finance Centers and for the commercial-type audits of certain Government corporations and revolving funds, such as the Panama Canal Company, the Federal Crop Insurance Corporation, and the Federal Deposit Insurance Corporation. To some degree, each of the regional offices, under the overall direction of a regional manager, initiates and programs specific surveys and reviews. The following schedule shows the planned application of Washington and field professional resources during 1975 and 1976 for these activities.

Area of Responsibility	Staff-years FY 1975	FY 1976	Change
Military Finance Centers	50	45	-5
Corporation and similar audits	33	34	+1
Surveys for development of audit areas	35	35	-
Management and administrative support of 15 regional offices	63	70	+7
Total	181	184	+3

OFFICE-WIDE SUPPORT

Consistent with the policies, determinations, and instructions of the Comptroller General, the 15 regional offices perform all assigned accounting, auditing, and review work. They carry out assignments in accordance with plans and work programs provided by the Washington operating divisions and offices. The staffs of the regional offices are assigned to specific surveys, reviews, congressional request work, etc., by the regional managers, as warranted by the plans and programs furnished by the Washington operating divisions and offices. Regional office staff members, therefore, work on several different assignments during the course of a year. As a result of their knowledge of conditions at the site of Government and contractor operations in the field, regional offices make recommendations for in-depth audit assignments for programming by the GAO operating divisions and offices in Washington.

The work planned by the Washington divisions and offices, as set out in this justification document in sections E through S, will require personnel for the Field Operations Division as follows:

	Staff-years FY 1975	FY 1976	Change
Director's office, Washington, D.C.	9	9	-
Regional Offices	1,988	2,082	+94
Total	1,997	2,091	+94

DISTRIBUTION OF FIELD STAFF-YEARS BY DIVISION

Our plans provide for the application of the Field Operations Division staff to the work of each of the Washington divisions and offices, as follows:

	Staff-years FY 1975	FY 1976	Change
Financial and General Management Studies Division	157	161	+4
Field Operations Division	205	210	+5
Federal Personnel and Compensation Division	142	146	+4
General Government Division	213	223	+10
International Division	23	34	+11
Logistics and Communications Division	254	253	-1
Manpower and Welfare Division	378	407	+29
Procurement and Systems Acquisition Division	341	345	+4
Resources and Economic Development Division	246	275	+29
Transportation and Claims Division	2	2	-
Office of Special Programs	24	34	+10
Office of Federal Elections	11	-	-11
Office of Policy and Program Planning	1	1	-
Total	1,997	2,091	+94

MANAGEMENT SERVICES ORGANIZATION

Function	1975 Professional and technical	1975 Other	1975 Total	1976 Professional and technical	1976 Other	1976 Total	Change Professional and technical	Change Other	Change Total
A. Personnel administration	48	59	107	53	56	109	+5	- 3	+2
B. Financial management	4	65	69	4	75	79	-	+10	+10
C. Administrative support	1	199	200	1	202	203	-	+3	+3
D. Special pools	5	57	62	5	76	81	-	+19	+19
E. Supervision	11	7	18	11	7	18	-	-	-
Total staff-years	69	387	456	74	416	490	+5	+29	+34
On rolls at June 30	69	382	451	78	408	486	+9	+26	+35

The Management Services Organization (MSO) is a grouping of previously established activities which have been brought together under one Assistant Comptroller General. MSO serves all divisions and offices in personnel management; budgeting and accounting; space and office services; printing and graphic services; library services; and training of first-year professional personnel, new secretaries, and preprofessionals in the Upward Mobility Program. The offices which perform these functions are shown in Exhibit I and described below.

SCOPE AND NATURE OF WORK PROGRAMS

A. PERSONNEL ADMINISTRATION

During fiscal year 1975, this function was realined to give separate attention to (1) personnel operations and (2) staff development. The offices which exercise these functions are as follows:

1. The Office of Personnel Management is responsible for personnel operations. Its staff requirements will remain essentially level at 83 staff-years in fiscal year 1976 (compared with 86 in fiscal year 1975) to perform the following duties:

   a. Recruitment and appointment of over 1,000 employees anually, including recruitment visits to 300 college campuses.

   b. Relationship with universities and professional groups.

   c. In-house orientation and training programs.

   d. Job classification and salary administration.

   e. Relationships with Civil Service Commission.

   f. Application of pertinent laws, rules, and regulations.

   g. Personnel processing, records, data, and reports.

   h. Employee services and adjustment counseling.

   i. Security clearances.

2. The Office of Staff Development is newly established to apply the most modern practices to improving skills and performance of all GAO personnel and to increasing the opportunities for individual and group achievement. This staff of 26 in fiscal year 1976 (compared with 21 in fiscal year 1975) is composed primarily of personnel transferred from former similar responsibilities to be augmented by a small number of specially recruited professionals. The duties of the new office include:

   a. Compilation of an annual personnel requirements plan covering the number and types of personnel required by the various components of GAO.

   b. Administering and coordinating the professional staff rotation plan, including the pool of first-year trainees who are given intensive on-the-job training.

   c. Determining training needs and designing programs to meet these needs to assist all employees to achieve their maximum potential and usefulness.

   d. Conducting job restructuring, job enrichment, and job redesign studies to enhance the opportunities of lower grade staff.

   e. Selection of participants for internal and external programs.

   f. Developing and monitoring an effective appraisal system designed to consider the needs of management and the employee.

   g. Monitoring promotion activities to insure impartial consideration of eligibles for advancement under the merit promotion system and consistency of application throughout the Office.

   h. Designing, administering, and monitoring organization development activities.

   i. Monitoring and administering the honors and awards programs.

   j. Implementing a comprehensive Upward Mobility Program to provide increased opportunity for lower grade employees to enter the professional or technical ranks through formal and on-the-job training programs.

B. FINANCIAL MANAGEMENT

The Office of Controller consists of the Management Information Systems Staff, the Budget and Financial Planning Staff, and the Accounting Operations Branch. A total of 79 staff-years are required in fiscal year 1976. This represents an addition of 10 support personnel to assist in the implementation of the Financial Management Information System to improve the timeliness and usefulness of financial reports.

1. The Management Information Systems Staff develops officewide automatic data processing systems and assists line managers in developing the information required to manage their resources and insure timely completion of audits.

2. The Budget and Financial Planning Staff prepares or approves financial plans (including annual budgets) for each of the divisions and offices and renders timely reports to them on the status of their expenditures under these plans.

3. The Accounting Operations Branch prepares all reports pertaining to payroll and related financial management matters for the Office of Management and Budget, the Civil Service Commission, and the Treasury Department. The branch examines and certifies administrative vouchers and invoices covering operating expenses, examines and certifies payrolls, and maintains related records and reports. These services are also provided on a reimbursable basis to the Cost Accounting Standards Board and the Office of Technology Assessment.

A significant innovation in fiscal year 1976 is the expansion of GAO's internal cost accounting system to provide comprehensive data on time and cost of each of the some 1,000 reviews completed each year.

C. ADMINISTRATIVE SUPPORT ACTIVITIES

This group of functions is concerned with rendering extensive services to the operating divisions. These services are performed by: the Office of Administrative Services, the Office of Publishing and Graphics Services, and the Office of Librarian.

1. Office of Administrative Services (OAS). This Office will maintain an essentially level staff of 98 staff-years in fiscal year 1976 (representing an increase of 1 staff-year over fiscal year 1975).

   The principal services provided are records management, mail and distribution, physical security, supply and contracting, property management, and space.

   The most difficult and comprehensive of the OAS programs is to modernize and improve the physical office environment of GAO staff members. The long-range plan for renovation of the GAO headquarters building provides for the refurbishing of about 225,000 square feet, at an estimated cost of $1.7 million. At the present time we are in the process of completing 75,000 square feet, at an estimated cost of $0.5 million. Work is currently planned for completion during fiscal year 1976. A major program is underway for upgrading the quality of the space occupied by our regional offices, and this work is approximately 65 percent complete.

2. The Office of Publishing and Graphic Services has been separately established to improve the timeliness and quality of GAO report processing by full consolidation of editing, illustrating, typing, and printing services. The accomplishment of the workload of this office will require the addition of two support personnel staff-years in fiscal year 1976 bringing the average to be maintained throughout the year to 85.

   This consolidation also provides a focal point for the provision of printing and graphic services for other GAO publications and documents, as well as the following related services:

   --A centralized Fast Copy Service for short-run needs.

   --A centralized point for all printing matters, including procurement from the Government Printing Office and liaison with the Joint Committee on Printing.

   --Centralized micrographic services.

3. The Office of Librarian represents another innovation in GAO support services--bringing together for the first time a fully professional library staff to serve not only the Office of General Counsel (which has enjoyed such technical service for many years) but also the professional audit organization of GAO. The staff of the Library will remain constant at 20 staff-years, but its functions will continue to grow in supporting the audit staff by:

   --Timely acquisition of research materials and data bases relevant to current and prospective audits;

   --Provisions of literature search and bibliographic services to the operating divisions and regional offices.

D. SPECIAL POOLS

One of the most important innovations to improve staff management in the past 2 years has been the establishment under central direction of three staff pools each of which serve a specific purpose.

1. First year--professional staff pool.

   This pool contains the new college recruits for assignment to operating divisions in Washington. During their first year of GAO employment, these recruits receive orientation and on-the-job training in a coordinated program of classroom training and job rotation. These assignments are monitored closely through personal visits and periodic reports to insure that all recruits have an opportunity to develop their skills and knowledge to an optimum degree.

   Their performance and progress are carefully watched to be sure that only those who are suited to the type of work the Office performs and who are capable of progressing to our journeymen's positions are retained.

   After recruits have satisfactorily completed their first year, they are then permanently assigned to one of the operating divisions. Each division's budget provides an allocation of staff-years to cover its share of pool resources.

2. Upward mobility programs pools.

The Upward Mobility Program's staff is responsible to the Director, Office of Staff Development, for planning, developing, and implementing GAO's Upward Mobility Programs. We are investing 35 staff-years in these programs in fiscal year 1975 and 61 in fiscal year 1976.

a. Preprofessional Program. The preprofessional program offers an opportunity for nonprofessional employees of GAO who are competitively selected to enter specific entry level positions at the GS-4, GS-5, and GS-6 levels which lead to professional careers within GAO. Participants in this program are assigned to a preprofessional pool in the Office of Staff Development and are detailed to auditing divisions to receive their on-the-job training.

The specific objectives of the preprofessional program are:

--providing opportunities for reassignment and upward mobility for employees in grades GS-9 (or equivalent) and below whose current employment does not provide for further advancement.

--Providing an in-house base for selection of candidates for entry into career fields providing opportunities for advancement to upper-grade administrative, technical, and professional positions in GAO.

--Providing on-the-job training and supporting educational endeavors of participants.

--Providing release time to allow participants to pursue the educational courses necessary to their development.

--Obtaining supervisory cooperation in the upgrading process.

--Insuring that target positions are identified and guaranteed to employees who successfully complete the training requirements of the program in which they are enrolled.

--Enhancing work content through job restructuring and job enrichment.

--Motivating employees toward high achievement and creating a climate conducive to high morale.

The target positions for the preprofessionals are:

--GAO Auditor GS-510-7
--GAO Management Auditor GS-343-7
--Management Analyst GS-343-7
--Adjudicator GS-960-7

Additional development of participants beyond the target position will follow normal Merit Promotion Program and Career Management Program procedures.

b. Freight Rate Specialist Program. The freight rate specialist program was initiated by the Transportation and Claims Division in October 1972 to provide opportunities for lower-graded clerical personnel to move into the freight rate specialist career ladder. As a prerequisite for eligibility, employees are required to take and pass a U.S. Army correspondence course and examination.

Personnel selected for training enter the program in grade GS-5. Successful participants are promoted to grade GS-7 after approximately 13 months of on-the-job training and to grade GS-9 at the completion of 27 months of on-the-job training.

c. Worker-Trainee Opportunities Program. This program is a federally directed plan for agency use in hiring low-skilled persons and providing opportunities through training and experience for them to develop careers in the Federal Government.

The GAO Worker-Trainee Opprotunities Program consists of developmental positions which provide career pathways through training experience for employees with potential to advance and work in higher level positions. Six manyears are planned for this program in fiscal year 1976.

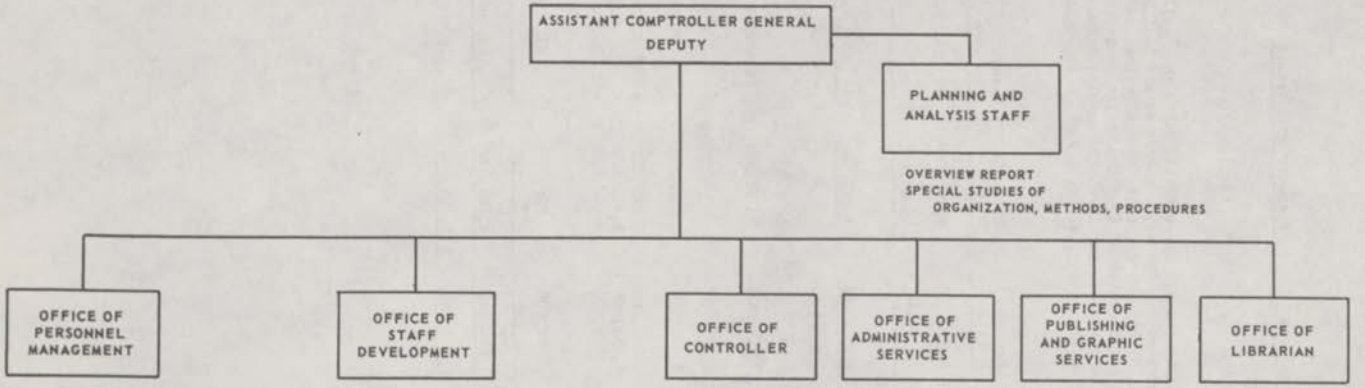
3. Secretarial assignment pool. Newly appointed secretaries at Washington headquarters are carried for a brief period of orientation and indoctrination in a centrally administered secretarial pool. Vacancies are promptly filled from this pool as they occur. We anticipate an average of 12 in this pool throughout the year, compared to 22 in fiscal year 1975.

4. Consultant Reserve. Many GAO divisions and offices use many experts and consultants for only brief periods during a fiscal year. To provide a staff-year pool to support these requirements, a central reserve of four staff-years is maintained in the Management Services' budget. Divisions requiring more than 1 staff-year of consultant time budget separately for this assistance.

E. SUPERVISION OF THE MANAGEMENT SERVICES ORGANIZATION

The supervision of the diverse functions described above is the responsibility of Assistant Comptroller General for Management Services and his Deputy, with a staff to perform special studies. During 1976 special attention will be given to the development of planning techniques to guide our annual recruiting of the specific skills, disciplines, and types of personnel best-suited to the performance of our forecasted workloads.

MANAGEMENT SERVICES ORGANIZATION



Effective September 3, 1974

EXHIBIT 1

1077

UNITED STATES GENERAL ACCOUNTING OFFICE

Estimated obligations--other expenses:

Fiscal Year	Estimated obligations	Increase or decrease
1975	$29,628,000	
1976	$34,756,000	+$5,128,000

The fiscal year 1976 estimate of $34,756,000 for all our expenses other than salaries is $5,128,000 more than our revised 1975 requirements. The major increases are $935,000 for personnel benefits, $1,422,000 for travel, $1,665,000 for rent, communications and utilities, $779,000 for other services, and a net increase of $327,000 in the remaining objects. Our revised 1975 requirements and the estimates for 1976 are compared below by object class of expense and explained in more detail in the narrative section following this summary.

Object class	Actual 1974	Revised 1975	Estimate 1976	Changes 1975 to 1976
12 Personnel benefits	$ 7,569,648	$ 8,922,500	$ 9,857,500	+$ 935,000
13 Benefits for former personnel	47,500	47,500	47,500	---
Total personnel benefits	7,617,148	8,970,000	9,905,000	+ 935,000
20 Contractual services and supplies:				
21 Travel and transportation of persons	6,585,564	7,600,000	9,022,000	+ 1,422,000
22 Transportation of things	166,016	250,000	340,000	+ 90,000
23 Rent, communications & utilities	1,402,672	6,330,000	7,995,000	+ 1,665,000
24 Printing & reproduction	476,176	535,000	665,000	+ 130,000
25 Other services	3,809,866	4,650,000	5,429,000	+ 779,000
26 Supplies & materials	494,430	525,000	600,000	+ 75,000
30 Acquisition of capital assets:				
31 Equipment	1,096,051	768,000	800,000	+ 32,000
42 Claims and indemnities	4,806	--	--	--
Total 20, 30, & 42	14,035,581	20,658,000	24,851,000	+ 4,193,000
Total--other expenses	$21,652,729	$29,628,000	$34,756,000	+$5,128,000
Transfer to GSA Rental of space	$ 54,657	--	--	--
Transportation Audit Functions	--	--	$ 700,000	+$ 700,000

12 Personnel benefits
13 Benefits for former personnel

Estimate 1975	$8,970,000	
1976	$9,905,000	+$935,000

The items involved in these object classes, and the estimated costs for each, are as follows:

	Revised 1975	Estimate 1976	Changes 1975 to 1976
12 Personnel Benefits:			
Cost of Living Allowances	$ 275,100	$ 297,200	+$ 22,100
Payments to CSC Life Insur. Fund	383,100	408,300	+ 25,200
Payments to CSC Retirement Fund	6,550,200	7,177,500	+ 627,300
Employers Share FICA Taxes	26,053	23,076	- 2,977
Employees Suggestion Awards	104,600	109,100	+ 4,500
Payments to Health Benefits Program	1,390,500	1,596,800	+ 206,300
Employee Compensation Act	42,847	45,524	+ 2,677
Dislocation Allowances	150,100	200,000	+ 49,900
13 Benefits for former personnel	47,500	47,500	--
Total Personnel Benefits	$8,970,000	$9,905,000	+$ 935,000

The net increase of $935,000 in benefits consists of increases in employer contributions to benefit funds ($858,500) and dislocation allowances ($49,900), and an increase in cost of living allowances ($22,100), and an increase in the employees suggestion awards. The increases in benefits result primarily from an increase in staff and in the amount of salary paid.

Cost of Living Allowances

An increase in the average grade of employees officially stationed at posts of duty in foreign areas and in Hawaii in F.Y. 1976 will result in a $22,100 increase for cost of living allowances since post allowances are based on a percent of the employee's salary. Allowances for which such employees may be eligible (5 U.S.C. 5924, 5941) include:

A post allowance which is granted to an employee officially stationed at a post where the cost of living, exclusive of quarters costs, is substantially higher than in Washington, D.C.

An education allowance which is granted to assist an employee in meeting extraordinary expenses incurred by reason of his service in a foreign area in providing adequate elementary and secondary education for his children.

A living quarters allowance is for rent, heat, light, fuel, gas, electricity and water, and is granted when Government owned or rented quarters are not provided without charge for an employee in a foreign area.

A Territorial cost-of-living allowance provides additional compensation to persons stationed outside the Continental United States or in Alaska (whose rates of basic compensation are fixed by statute) when living costs are substantially higher than in the District of Columbia.

A foreign transfer allowance which is for extraordinary expenses incurred by an employee incident to establishing himself at a post of assignment in a foreign area.

Payments to CSC Life Insurance Fund

The $25,200 increase in the cost for group life insurance results from an increase in staff and a small increase in the average salary of the staff. The amount of insurance in force is based upon an employees annual salary rate plus $2,000, with a minimum of $10,000. The Government pays one-third the cost of regular life insurance and the employee pays two-thirds, under provisions of 5 United States Code 8707.

Payments to CSC Retirement Fund

Section 8334 of title 5, United States Code, provides that there shall be deducted and withheld from the basic salary of each civilian officer or employee to whom this law applies an amount equal to 7 percent of such basic salary as a deduction for retirement. The Government matches the employee's contribution.

The increase of $627,300 in the amount of payments to the CSC retirement fund results directly from an increase in the salary paid to GAO staff.

Employers Share FICA Taxes

The Social Security Amendments of 1972 provided that beginning in calendar year 1973 FICA taxes would be 5.8% of the first $10,800. Public Law 93-233, approved December 31, 1973, provides that FICA deductions beginning with calendar year 1974 will be made on the first $13,200 of wages received instead of the first $10,800. However, the Social Security Act as amended October 31, 1974, provides that deductions beginning with calendar year 1975 will be made on the first $14,100 and beginning with calendar year 1976, deductions will be made on the first $15,300. The Government, as an employer, matches the employee's contribution.

Employees Suggestion Awards

Our Incentive Awards program is administered consistent with chapter 45 of title 5, U.S. Code, and the regulations issued by the Civil Service Commission. Our program is designed to encourage employees to participate in the common task of improving the effectiveness, efficiency and economy of Government operations. Also, we wish to recognize and reward employees, individually or in groups, who by their suggestions, inventions, superior accomplishments, or other personal efforts directly contribute to the efficiency, economy, or other improvement of Government operations, or who perform special acts or services in the public interest in connection with or related to their official employment.

Payments to Health Benefits Program

Payments to the health benefits program will increase $206,300 from 1975 to 1976 because of an increase in staff and a larger Government contribution resulting from increased health premiums which became effective January 5, 1975. The cost of health benefit coverage for employees is shared by the employee and the Government, with the Government's contribution about 60 percent of the subscription charges.

Employee Compensation Act

The reimbursement for benefits and other payments from the Employee's Compensation Fund varies from year to year depending upon the number of GAO employees injured in the line of duty and the severity of the injuries. The amount required for such payments for 1974 is $2,677 more than the payments made for 1973. We are required to include in our 1976 budget estimates an amount equal to the cost in 1974 of such benefits for repayment to the Compensation Fund (5 U.S.C. 8147).

Dislocation Allowances

The amount for dislocation allowances, authorized under the provisions of 5 U.S.C. 5724a, provides for the payment of relocation expenses of employees involved in permanent changes of station. The payment of dislocation allowances will increase $49,900 based on the number of changes of station we expect to occur in 1976.

Some of the more significant allowances paid under this category in connection with a permanent change of station are:

1. Subsistence expenses of the employee and his immediate family while occupying temporary quarters.

2. Expenses of the sale of the residence (or the settlement of an unexpired lease) of the employee at the old official station and the purchase of a home at the new official station.

3. Miscellaneous expenses such as charges for connecting and disconnecting appliances and utilities; alterations and installation of rugs and draperies at the new residence; drivers and auto licenses required by the State to which the employee moved; and similar costs related to the move.

13. Benefits for Former Personnel

The $47,500 is for providing an annuity for Comptrollers General retired for age or disability (section 43 of title 31, United States Code).

21. Travel and Transportation of Persons

Estimate 1975	$7,600,000	
1976	$9,022,000	+$1,422,000

Effective examination of the activities of Federal agencies and contractors requires that our audit and investigative work be done at Federal agency offices and installations and contractors' plants located throughout the United States and in numerous locations abroad. For this reason, a large part of the working time of our professional staff of accountants and auditors must be spent in travel status.

For example, for each year of professional staff time applied to carry out our assignments, we estimate that about 48 days will be in travel status during fiscal year 1975 and 50 applied during fiscal year 1976.

We are requesting $9,022,000 to meet our 1976 travel needs. This amount represents an increase of $1,422,000 over the estimate for 1975.

Our requirements for travel funds for 1975 and 1976 are compared by organizational unit within the General Accounting Office in the following tabulation. This tabulation also shows the general categories of work assignments for which increased travel costs are expected to be incurred.

	1975 Revised Estimate	1976 Estimate	Increase or Decrease (-)
Field Operations Division:			
Special Programs	$ 59,000	$ 114,000	$ 55,000
Federal Personnel and Compensation Work	347,000	404,000	57,000
Financial & General Management Studies Work	382,000	448,000	66,000
General Government Work	520,000	627,000	107,000
Logistics & Communications Work	617,000	690,000	73,000
Manpower & Welfare Work	929,000	1,160,000	231,000
Procurement & Systems Acquisition Work	829,000	948,000	119,000
Resources & Economic Development Work	598,000	815,000	217,000
Internal Review Work	3,000	3,000	-
Transportation & Claims Work	5,000	6,000	1,000
Other Work, Training, Recruiting, etc.	561,000	644,000	83,000
Sub-total	4,850,000	5,859,000	1,009,000
Special Programs	57,000	107,000	50,000
Logistics & Communications Division	125,000	119,000	(6,000)
Procurement & Systems Acquisition Division	180,000	200,000	20,000
Federal Personnel & Compensation Division	70,000	67,000	(3,000)
General Government Division	159,000	184,000	25,000
Resources & Economic Development Division	227,000	262,000	35,000
Manpower & Welfare Division	200,000	225,000	25,000
Financial & General Management Studies Division	144,000	225,300	81,300
International Division:			
For work performance	884,600	1,020,000	135,400
For change of station	68,000	102,000	34,000
Other Divisions and Offices	635,400	651,700	16,300
TOTAL	$ 7,600,000	$9,022,000	$ 1,422,000

The estimated increase of $1,422,000 in travel cost for 1976 is due to an increase in the daily rate and to increased staff travel as follows:

Increase of $3.31 or about 8% in the average cost for each day in travel status	$ 657,600
Increase because of two additional days of travel by professional staff	371,300
Increase in number of professional staff on assignment involving travel	393,100
Total net increase	$1,422,000

The increase is divided between travel within the continental United States and international travel, as follows:

For travel within the continental United States	$1,190,000
For international travel	232,000
Total net increase	$1,422,000

TRAVEL WITHIN CONTINENTAL UNITED STATES

Most of the estimated increase in domestic travel fund requirements for 1976 is needed for our regional office staffs to carry out accounting and auditing assignments in agency offices and contractor plants outside of Washington, and away from the cities where our regional offices and suboffices are located.

The nature of the activities of the Defense establishment requires most of the assigned staffs of the regional offices to remain on temporary duty locations for periods of 60 to 90 days to effectively perform the work necessary to support their findings, conclusions and recommendations.

The areas reviewed may involve a variety of matters such as acquisition of major weapons systems, manpower utilization, accounting system reviews, procurement, supply management, contract administration, construction projects, should cost studies, and research and development programs, and at several different sites.

Major new and expanded Federal programs have been enacted by the Congress in recent years, particularly in health, labor, welfare, education, revenue sharing, energy, and in transportation. Expenditures for these programs are becoming sizeable. Our selective reviews at field locations require considerable travel by our Washington and regional staffs in order to achieve representative coverage in reviews of these programs.

Request work for committee chairmen and individual congressmen in the areas of these new and expanded programs, as well as on previously authorized programs, have increased significantly and much of this work will be done at locations which involve travel by our Washington and regional staffs.

The estimates shown will permit us to provide the direction and supervision necessary to the successful accomplishment of our audit assignments and the additional travel necessary because of anticipated increases in our effort principally in the following areas: energy studies, revenue sharing, law enforcement, reconstruction and rehabilitation assistance, housing and community development, defense procurement, major acquisitions of weapon systems, ADP installations, and financial activities.

INTERNATIONAL TRAVEL

Travel required for the making of examinations of Federal programs carried on outside of the United States may be performed by personnel located either in the United States or in our foreign branches. For budget and accounting purposes, all fund requirements for international travel are grouped under the International Division. These requirements cover all international travel to be performed by officials and staff members from the continental United States and by personnel regularly assigned to our foreign branches.

The composition of our requirements for funds for international travel is analyzed in more detail in the following table:

	Fiscal Year 1975	Fiscal Year 1976	Increase or Decrease (-)
For work performance:			
Travel from the United States on work programs of:			
International Division	$183	$ 207	$ 24
Logistics & Communications Division	30	53	23
Procurement & Systems Acquisition Division	6	8	2
Federal Personnel & Compensation Division	14	16	2
General Government Division	8	8	-
Manpower & Welfare Division	3	6	3
Financial & General Management Studies Division	5	-	(5)
Transportation & Claims Division	6	11	5
Special Programs	2	2	-
Travel by foreign branch staffs:			
European Branch	230	269	39
Far East Branch	398	440	42
Total	885	1,020	135
For change of station (note a):			
European Branch	27	17	(10)
Far East Branch	41	85	44
Total	68	102	34
Combined	$953	$1,122	$169

Our work programs require travel assignments to countries where Federal agency operations and programs are conducted. These areas include the Far East, Asia, Europe, and the Near East, Africa, and Latin-America.

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a/ Represents estimated cost of travel of employees and their families between the United States and the foreign branch offices on initial assignments and on completion of tours of duty in foreign branch offices.

22. Transportation of Things

Estimate 1975	$250,000	
1976	340,000	+$90,000

The principal items of expense in this category are for transporting the household goods and personal effects of employees who are transferred between the United States and our European and Far East Branches and between our field locations in the United States and shortage category employees who are assigned to their first duty station.

The increase of $90,000 for transportation of things provides for an increase in the number of pounds per shipment, in the cost of transportation for household goods and personal effects and for an increase in the number of changes in official station expected to occur in 1976.

In addition to the costs for movement of household goods and personal effects, the estimates provide for the necessary cost of (1) shipment of audit work papers, (2) rental of trucks from the General Services Administration for local hauling, and (3) other miscellaneous transportation charges.

23. Rent, communications and utilities

Estimate 1975	$6,330,000	
1976	$7,995,000	+$1,665,000

There follows a detailed breakdown of the various items included in this object class and the estimated costs for each:

Rentals	Revised 1975	Estimate 1976	Changes 1975 to 1976
Automatic data processing equipment	$ 196,000	$ 221,000	+$ 25,000
Duplicating equipment	380,000	390,000	+ 10,000
Automatic typing equipment	80,000	100,000	+ 20,000
Office space	4,724,000	6,197,000	+ 1,473,000
Other	81,500	81,500	--
Communications			
Local telephone service:			
Washington	225,000	250,000	+ 25,000
Field offices	140,000	154,000	+ 14,000
Long distance telephone service:			
FTS	275,500	351,800	+ 76,300
Commercial	26,000	27,700	+ 1,700
Telegrams, cables, etc.	2,400	2,400	-
Postage and fees paid	199,600	219,600	+ 20,000
Total	$6,330,000	$7,995,000	+$1,665,000

Increases in this object class totaling $1,665,000 are primarily a result of (1) the requirement that all Federal agencies reimburse the General Services Administration for the space which they occupy, and (2) an increase in the cost of Federal Telecommunications Systems (FTS) intercity telephone service, which has been projected by the General Services Administration.

Automatic Data Processing Equipment

The increase of $25,000 for the rental of automatic data processing equipment results from an annualization of the cost of additional equipment to be acquired in 1975 to augment our present ADP hardware configuration.

Duplicating Equipment

Reproducing equipment provides our audit groups permanent copies, which are essential for our workpapers and exhibits in many cases, and more timely processing of our copying workload. The number of copies of internal and agency material essential to our audit work has been and continues to be voluminous.

Automatic Typing Equipment

It has become necessary to utilize automatic typing equipment wherever practicable and economical to speed up our reporting and to overcome the continuing and critical shortage of qualified typists. This type of equipment provides automatic formatting, alignment of inserted corrections on edited material, plus a high speed final print.

Office Space

Public Law 92-313, June 16, 1972, requires that, beginning in 1975 Federal agencies reimburse the General Services Administration on a continuing basis for all space which they occupy, rather than for only increases in space. The increase of $1,473,000 for office space in FY 1976 over FY 1975 results from additional space need requirements, and an increase in the standard level user charge (SLUC) as well as an increase of 11.11 percent in the 1975 billing.

Communications

Other estimates for this object class provide for all communication charges for the usual and necessary expenses of local and long distance telephone service, various charges for telegrams and teletype, and reimbursement to the Post Office Department to cover our mailing costs.

The increase in charges for FTS intercity telephone service is based on estimates provided by GSA.

24. Printing and reproduction

Estimate 1975	$535,000	
1976	$665,000	+$130,000

The increase of $130,000 for printing and reproduction reflects the various price changes expected to be made in the Government Printing Office (GPO) overall operations which include work produced in the GPO, as well as paper, materials, and commercially produced printing and binding work.

The estimates provide for our minimum requirements in this expense category. The principal items in the wide variety of material required are (1) printed forms and letter-heads, (2) publications issued by GAO and other agencies, (3) recruiting brochures used in recruitment of professional staff, (4) hearings, bills, calendars, and the record and reports of the Congress, (5) printing and reproduction necessary to maintain on a current basis the GAO Policy and Procedures Manual for Guidance of Federal Agencies, and (6) printing of the monthly and quarterly pamphlets and the annual volumes of decisions of the Comptroller General of the United States.

25. Other services

Estimate 1975	$4,650,000	
1976	5,429,000	+$779,000

The costs in this object class, which is our largest miscellaneous category because of the variety of services covered, are shown below according to the principal types of expense and the estimated costs for each type:

	Revised 1975	Estimate 1976	Changes 1975 to 1976
Nongovernment services:			
Credit reports	$ 29,000	$ 31,000	+$ 2,000
Training-tuition and fees	518,900	579,200	+ 60,300
Storage of household goods	20,000	22,000	+ 2,000
Maintenance of equipment	82,000	87,000	+ 5,000
Contract services	798,500	942,800	+ 144,300
Miscellaneous nongovernment	58,000	316,000	+ 258,000
Total nongovernment	$1,506,400	$1,978,000	+ 471,600
Services by other government agencies:			
Security investigations	135,000	150,000	+ 15,000
Administrative support	265,000	286,000	+ 21,000
Health services	127,000	140,000	+ 13,000
Computer services	859,300	1,270,000	+ 410,700
Office alterations	600,000	800,000	+ 200,000
Training	114,000	193,000	+ 79,000
Transportation data contracts	394,400	431,000	+ 36,600
Other contract services	595,000	125,000	- 470,000
Miscellaneous government	53,900	56,000	+ 2,100
Total government	3,143,600	3,451,000	+ 307,400
Total--other services	$4,650,000	$5,429,000	+$779,000

Training-Tuition and Fees

The increase in the amount for tuition and fees for training results from (1) our increased awareness of the need for functional and specialty training as a result of our reorganization along functional and specialty lines, and (2) our upward mobility program which provides a means whereby nonprofessional employees may become professional auditors.

The amount for training, tuition and fees, provides for the cost of staff taking part in either advanced management or executive development programs and costs for those attending college evening classes, during nonworking hours, in order to update their knowledge in various subject matter areas associated with their work in GAO. We are continuing to maintain our emphasis on professional and career development.

Maintenance of Equipment

The amount for maintenance of equipment provides for the costs of repairs and preventive maintenance of all classes of equipment. We keep our costs low for this category of expense by having a small group of repairmen who are very proficient at repairing office machines. They repair many of the machines that would otherwise have to be repaired by the manufacturer. One of our largest expenses under this category is for maintenance service for automatic data processing equipment.

Contract Services

These services are to provide consulting and assistance in connection with the following:

(1) developing information and management system requirements on financial data for use by Federal agencies in managing their operations,

(2) to perform syntheses on housing, transportation, and one other area to be selected,

(3) study of State fiscal and budgetary information systems and support for state legislatures,

(4) economic analyses,

(5) analytical studies,

(6) shared-time computer services,

(7) the training of certain members of our staff as ADP audit specialists,

(8) testing the concept of a human resources accounting system,

(9) software development needed in assistance to the Congress,

(10) ADP installation evaluation,

(11) evaluation of the Special Supplemental Food Program,

(12) energy, food and material studies,

(13) training material for staff,

(14) development of standards for Federal-State computer-based information systems,

(15) planning and objective setting,

(16) effectiveness assessment of planning for training and education in the Government, and

(17) employee motivation within the Federal work force.

Security Investigations

The amount for security investigations provides for reimbursement to the Civil Service Commission for necessary investigation of new or reassigned employees filling sensitive positions. Investigations will be requested for staff being assigned to sensitive positions.

Administrative Support

The increase of $21,000 in administrative support services for our foreign offices results from anticipated increases in the support costs for our staff overseas. We reimburse the Department of State for administrative support on a shared cost concept depending on how many other agencies and how many staff members are in a given area. The State Department furnishes space and various other necessary services such as guard services, heat, light and quarters.

Health Services

There continues to be an increase in the cost of health services each year. Our estimate provides for an increase of $13,000 in 1976 to cover the cost of health services for additional staff and for a modest increase in the cost of such services.

Computer Services

The $1,270,000 for reimbursement to other Government agencies for computer services in fiscal year 1976 is an increase of $410,700 over fiscal year 1975 and provides computer services for

(1) development and maintenance of documentation indices,

(2) special analysis of Federal budget data,

(3) searches and analysis of catalog of Federal domestic assistance and Office of Education programs,

(4) data preparation for cross reference systems,

(5) Joint Financial Management Improvement Program studies,

(6) collection and analysis of financial data by our field offices,

(7) installing a comprehensive integrated financial management system,

(8) time-sharing for audit purposes,

(9) the accounting and auditing management reporting system, and

(10) personnel matters.

Office Alterations

The amount for office alterations provides for the various reimbursable services furnished by GSA in connection with moving and space preparation in Washington, D.C., and our field offices. As we obtain additional staff, both in our field offices and in Washington, we often have to secure additional space and make alterations in our existing space.

The amounts for office alterations are primarily for the cost of bringing the lighting, ventilation, and furnishings of some of our office space in the GAO Building to commercial standards. This is a continuation of the plan for improving our office space approved by the Subcommittees.

Training-Government

We provide formal training for our staff at the United States Civil Service Commission and at other government agencies so that each staff member will have full opportunity to: (1) improve his current work performance, (2) progress to maximum capabilities, (3) prepare himself for undertaking supervisory and managerial leadership responsibilities, and (4) keep abreast of current thinking and practices in accounting and auditing and in management philosophies and techniques.

Examples of such training follows:

1. Courses to be conducted by United States Civil Service Commission and other civil agencies.

   a. Executive Management

   b. Management Sciences; Orientation Program

   c. Middle Management Workshop

   d. Supervision and Group Performance

   e. Special subject matter areas which GAO may require from time to time, such as:

      (1) Automatic data processing

      (2) Planning, programming, and budgeting systems

2. Department of Defense courses in those areas peculiar to the programs and activities of the Military Establishment.

3. Other training which is not feasible for the office to give.

Transportation Data Contracts

Our Transportation Division is developing a computerized system for auditing carriers' bills for domestic shipments of household goods. The computer audit system requires certain input information on each military shipment of household goods moving within the contiguous 48 states and the District of Columbia. Most of the shipment information needed for the computer audit is contained in the data entered by the Finance Center of the U.S. Army, the Navy Regional Accounts Office and the Marine Corps Finance Office on punched card records for payment accounting and entitlement control. The transportation data contracts have provided for the collection and coding of added data concerning payments in connection with the shipments of household goods, as well as the data necessary for the audit of all freight shipments, and the preparation and furnishing of this data on magnetic tape to GAO monthly.

The $36,600 increase for transportation data contracts provides for a modest increase in the costs involved in furnishing this data.

Other Contract Services

These services are to provide assistance in connection with the following:

(1) Studies under the Joint Financial Management Improvement Program,

(2) Pilot test analyses of Census Bureau data, and

(3) Developing and improving the documentation of the classification required by the Legislative Reorganization Act of 1970.

26. Supplies and materials

Estimate 1975	$525,000	
1976	600,000	+$75,000

The estimates provide for the wide variety of supplies and materials necessary in our operations. One of the larger costs in this object class is for blank paper and related supplies used in preparation of our audit reports to the Congress and the agencies. Although we have been faced with continuing increases in the cost of items of supply and materials for several years, for example, blank paper used in our audit reports increased in cost in the beginning of 1975 by over 21 percent, we are trying to hold our expenses for this object as low as possible through the maintenance of minimum inventories.

31. Equipment

Estimate 1975	$768,000	
1976	800,000	+$32,000

The increase in this object class in 1976 is needed to provide office furniture and furnishings under our plan for space improvement and utilization in certain areas of the GAO building.

Also, the estimates provide for the minimum requirements necessary to continue the gradual replacement of worn and obsolete typewriters, adding machines, calculators and other office machines, and to acquire necessary office furniture for added staff and technical books and publications.

Transfers.

Estimate 1975	--	
1976	$700,000	+$700,000

This $700,000 is to provide a contingency fund to reimburse the General Services Administration for costs, not budgeted for, which are incident to the transfer of the transportation audit functions. These costs would be rental of office space, cost of moving and support services costs. If the transfer doesn't take place during the fiscal year, the unused costs, would be returned to the Treasury Department.

U.S. GENERAL ACCOUNTING OFFICE
SALARIES AND EXPENSES
SUMMARY OF AMOUNTS REQUESTED

	Transition Period		
	Total Positions 9/30/76	Staff-Years	Salaries
OFFICE OF THE COMPTROLLER GENERAL	13	3	$ 87,400
SPECIAL STAFF SERVICES	20	5	108,600
OFFICE OF THE GENERAL COUNSEL	251	64	1,251,400
ASSISTANT COMPTROLLER GENERAL POLICY AND PROGRAM PLANNING	42	10	262,400
ASSISTANT COMPTROLLER GENERAL SPECIAL PROGRAMS	145	38	742,300
ASSISTANT COMPTROLLER GENERAL	11	3	62,200
OFFICE OF PROGRAM AND BUDGET ANALYSIS	66	17	326,600
OFFICE OF SPECIAL PROGRAMS	68	18	353,500
FEDERAL PERSONNEL AND COMPENSATION DIVISION	120	30	603,500
FINANCIAL AND GENERAL MANAGEMENT STUDIES DIVISION	297	76	1,831,000
JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM	10	3	62,900
GENERAL GOVERNMENT DIVISION	248	63	1,302,600
INTERNATIONAL DIVISION	289	73	1,617,600
LOGISTICS AND COMMUNICATIONS DIVISION	183	47	1,068,100
MANPOWER AND WELFARE DIVISION	326	83	1,617,900
PROCUREMENT AND SYSTEMS ACQUISITION DIVISION	190	49	1,187,500
RESOURCES AND ECONOMIC DEVELOPMENT DIVISION	298	76	1,555,300
TRANSPORTATION AND CLAIMS DIVISION	159	41	611,500
FIELD OPERATIONS DIVISION	2,206	560	10,764,100
ASSISTANT COMPTROLLER GENERAL MANAGEMENT SERVICES ORGANIZATION	487	125	1,807,300
SUB-TOTAL	5,284	1,346	26,481,400
TRANSPORTATION AND CLAIMS DIVISION TRANSFER	395	100	1,459,600
SUB-TOTAL	5,679	1,446	27,941,000
PERSONNEL BENEFITS			2,637,000
TRAVEL			2,290,000
OTHER EXPENSES			3,818,000
TOTAL GAO			36,686,000
TRANSFER TO GSA			200,000
ESTIMATED OBLIGATIONS TRANSITION PERIOD			$36,886,000

SUBCOMMITTEE RECESS

Senator HOLLINGS. The record will be kept open if there is anything further you wish to add. Thank you very much. We appreciate your appearance here this morning. We will recess until 2 p.m., Monday, April 21.

[Whereupon, at 12:30 p.m., Friday, April 18, the subcommittee was recessed, to reconvene at 2 p.m., Monday, April 21.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1976

MONDAY, APRIL 21, 1975

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 2 p.m., in room S–128, the Capitol, Hon. Ernest F. Hollings (chairman) presiding.

Present: Senators Hollings, Huddleston, and Schweiker.

GOVERNMENT PRINTING OFFICE

STATEMENT OF THOMAS F. McCORMICK, PUBLIC PRINTER

ACCOMPANIED BY:

JOHN J. BOYLE, DEPUTY PUBLIC PRINTER
WALTER C. DeVAUGHN, ASSISTANT PUBLIC PRINTER (MANAGEMENT AND ADMINISTRATION)
WELLINGTON H. LEWIS, ASSISTANT PUBLIC PRINTER (SUPERINTENDENT OF DOCUMENTS)
BRYAN W. MERCER, COMPTROLLER

BUDGET ESTIMATES

Senator HOLLINGS. We will now consider the estimates of the Government Printing Office. A summary of the estimates may be found on page 1 of the justification book indicates that the total request is for $160,808,000. However, I am advised that the GPO is once again pulling back on the request for the new printing plant and is also volunteering a reduction of $168,000 in the request for the salaries and expenses of the Superintendent of Documents.

Mr. Thomas F. McCormick, the Public Printer, is here to testify to this request, along with Mr. John J. Boyle, Deputy Public Printer; Mr. Walter C. DeVaughn, the Assistant Public Printer for Management and Administration; Mr. Wellington H. Lewis, the Superintendent of Documents; and Mr. Bryan W. Mercer, the Comptroller. Mr. McCormick, we will hear your statement and then go into our questions. We will be glad to hear from you right now, sir.

GENERAL STATEMENT OF THE PUBLIC PRINTER

Mr. MCCORMICK. Thank you, Mr. Chairman.

During the fiscal year 1974, the total revenue from printing and binding operations of the Government Printing Office amounted to over $366 million. This was $74 million, or 25 percent higher than

the record-setting fiscal year 1973, when the dollar volume was $292 million.

Our procurement of printing and binding from commercial sources also continues to increase and amounted to $222 million which represents 64 percent of the total printing and binding requests in 1974 as compared with $108 million, only 51 percent, in 1971.

During the first 6 months of fiscal year 1975, commercially procured work amounted to $155 million, 70 percent of the total printing and binding revenue, which for all practical purposes, represents the approximate maximum percentage of our work which can be procured from commercial sources. We expect fiscal year 1976 total revenue from printing and binding operations to aggregate $605 million.

REVISED PRINTING AND BINDING COSTS FOR 1975

Revenue from printing and binding operations and associated costs for fiscal year 1975 are greater than originally anticipated. Based on experience during the first half of fiscal year 1975, we have refined the estimates submitted to the Office of Management and Budget. We now expect that fiscal year 1975 operations will be $492 million. This is an increase of $31 million from our estimate of last year and is primarily the result of greater than expected commercial procurement activity.

VOLUNTARY REDUCTION

The estimate for the S. & E. appropriation to support Documents programs has been revised and decreased by $168,000 from the $37 million estimate submitted to OMB. This reduction is the result of more accurate estimates based upon experience thus far for fiscal year 1975.

BUDGET REQUEST FOR 1976

The total funds requested this year for all programs aggregate $160.8 million—$108.5 million for congressional printing and binding, $36.8 million for Documents, and $15.5 million for site acquisition and general plans and design for a new GPO central office facility.

As indicated before, approximately 30 percent of our workload is not commercially procurable and must be done in our own facilities.

DEFERRAL OF BUILDING SITE ACQUISITION

The need for a more cost-effective facility has long been recognized and a minimum annual savings in excess of $10 million will result from such a new facility. The necessary prospectus has recently been submitted to the Joint Committee on Printing for its review and submission to the Public Works Committees of the House and Senate.

Since we have not yet received the necessary authorizations from the Public Works Committees, the request for $15.5 million will be withdrawn; however, if you wish, I am prepared to discuss it.

CONGRESSIONAL PRINTING AND BINDING

Of the total amount of $108.5 million for congressional printing and binding for fiscal year 1976, $85.1 million is the estimated

requirement for the Congressional Record, hearings, bills, resolutions, Federal Register, and other congressional printing and binding to be ordered in fiscal year 1976. The $85.1 million is an increase of $11.1 million over the current estimate for fiscal year 1975. This increase is principally the result of anticipated increases in physical volume and labor rates. The remaining $23.4 million of our appropriation is to provide funds for prior years' deficiencies, to pay obligations incurred for similar purposes in preceding fiscal years, again primarily the result of greater than estimated physical volume.

CONGRESSIONAL RECORD AND FEDERAL REGISTER VOLUME

The Congressional Record and Federal Register totaled 82,106 daily pages in fiscal year 1974 as compared with 68,998 pages in fiscal year 1973, an increase of 19 percent. It is estimated that these two publications will aggregate 86,000 daily pages in 1975, and 114,000 in 1976, an increase of 33 percent for the year and 65 percent for the 3-year period. This same pattern of increase is reflected in varying degrees for almost all categories of congressional work and has taxed our facilities during peak periods.

OPTICAL CHARACTER READING EQUIPMENT

Fortunately, our modernization efforts during the past year included the installation of an optical character reader/text processing system. This system will initially be focused on congressional work. The OCR equipment interfaces with a text editing module employing a special purpose computer. The text processing system provides capabilities for copy editing, updating, and data retrieval from storage through the use of special purpose video display terminals.

OCR manuscript copy prepared in scannable face on a standard typewriter, submitted by congressional committees or agencies, is processed through the system and the information is stored in machine readable form. The scanner is fast enough to permit processing the work of about 20 full-time typists. Proofreading and all corrections are made by operators at video display terminals. The corrected file is then processed by computer which develops a magnetic tape to drive a photocomposer. This system will provide more timely service and permit GPO to handle a greater volume of typesetting more effectively.

In addition, significant cost savings are being realized from this faster and more accurate process. For example, the Congressional Biweekly History of Bills, previously set in hot metal, is being produced on this new system. Savings in excess of $25,000 annually are anticipated in the production of the biweekly issues and the annual bound version of the History of Bills. Another example, congressional hearings, several of which have already been produced on this system for the Senate Appropriations Committee, indicate that cost reductions in excess of 12 percent will be realized. A 1,000-page hearing under conventional methods would cost about $41,000; however, on this new system, the cost will be about $36,000. Additional savings, faster turn-around, and greater productivity will be possible when congressional committees and agencies submit manuscript copy prepared for scanning.

NEW OFFSET PRESSES

In addition to the new OCR/text processing system, other improvements have been made to decrease turn-around time and reduce costs. Two new 43" x 60" offset presses, replacing obsolete equipment, were placed in operation last fiscal year. Six new 19" x 25" offset presses replaced older equipment during this fiscal year.

Many congressional publications have been converted to the adhesive binder with an increase in productivity, lower cost, and a better product.

FOUR NEW PRESSES FOR ENROLLED BILLS

Four new presses were purchased and placed in operation to produce enrolled bills.

PASSPORTS

There have been improvements in other areas not affecting congressional printing. Worthy of mention is the installation of an automatic gathering, sewing, and folding machine which is used to manufacture the U.S. passports. A major increase in productivity has been realized and total production is greater than was anticipated.

COMMITTEE CALENDARS

Working with the House Information Systems, our Electronic Photocomposition operation produced 17,361 production pages (negatives) of committee calendars in 1974. At present there are 13 House committees producing their calendars utilizing the Linotron photocomposer. There are six committees that are scheduled to go on the system in calendar year 1975.

DISTRIBUTION AND SALE OF PUBLICATIONS

The fiscal year 1976 request for programs associated with the distribution and sales of Government documents totals $36.8 million, a decrease of $82,000 from the 1975 appropriation. The volume of publications sold is expected to increase from 83 million in 1974 to 86 million in 1976.

DECREASE IN COMPLAINTS

Improvements have been made in order processing procedures and our level of daily complaints has decreased 20 percent from that of fiscal year 1973.

INCREASE IN BACKLOGS

Sales program backlogs have grown slightly in recent weeks due to increased orders and operational disruptions resulting from relocation to new office and warehouse space.

The Library and Statutory Distribution Service has moved from the GPO Central Office to leased space in Alexandria, Va. The increase in space and centralization of these activities have resulted in increased productivity and the backlogs are decreasing significantly.

PUBLICATIONS PRICING

During recent months, principally because of our price increases, the manner in which Government publications are priced for sale to the general public became the subject of considerable discussion. Historically, the pricing philosophy for these publications has been that the total revenue from sales to the general public should exceed the total sales program costs without regard to the method of financing. That is, the revenue should exceed the total of the cost of printing, binding, postage, and other publications costs which are financed from the proceeds of the sales of the publications, as well as the distribution and other costs which are financed from appropriation funds. Some believe that this philosophy was changed. This historical pricing philosophy has not changed and is still being followed, and that fact was confirmed by a report issued by the General Accounting Office on November 19, 1974. (See "Pricing of Publications Sold to the Public"—B-114829, dated November 19, 1974.)

Unfortunately, due to the rapid escalation in inflation and the almost overnight tripling of postage costs, we were unable to keep our prices ahead of costs and, as a result, while our philosophy remained unchanged, we, in fact, deposited into the miscellaneous receipts of the Treasury less revenue from the sales program than the program costs. I have termed this turn of events as being unfortunate. There are others, however, who believe this to be both meet and proper. They appear to hold the view that the costs financed by appropriated funds are intended to be subsidized and should not be passed on to the general public as part of the sales price. The General Accounting Office report, for example, suggests a subsidy as a possible alternative to present policy.

In my opinion, our present philosophy is appropriate in the vast majority of cases, and we should continue to follow it to the extent feasible. If any subsidy is appropriated, it should be only for selected publications and the subsidy money should be appropriated to the agency which originates the publication. The agency is in a far better position than we are to defend and justify to the Appropriations Committee the need for a subsidy of any given publication issued in furtherance of its programs. This method would also place the cost against the agency's program rather than having it buried in GPO's appropriation.

Another factor for consideration is the existence of special groups of customers, such as schools and libraries, where possibly some discount should be considered.

I believe that the present legislation is broad enough to allow the Public Printer to follow the clear nonconflicting dictates of the Appropriations Committees of the Congress without the need for a change in the basic legislation.

SUBSIDY FOR SPECIAL SALES PROGRAM

In this connection, there are certain publications over which the Public Printer does not have complete authority to establish selling prices and many of these publications are not self-sustaining and tend to distort the results of the total sales program. Therefore, I have removed them from the general sales program and placed them in

a special category. If you concur with my action and appropriate the necessary funds, a form of subsidy will have been accomplished for the particular publications.

The Federal Register publications represent the major dollar amounts in the Special Sales Program. At a recent meeting of the Administrative Committee of the Federal Register, which among other things has pricing responsibility for the Federal Register and related publications, it was agreed that the annual subscription rate for the Federal Register would be increased from $45 to $50 per year. This increase will not fully recover the annual costs associated with the Federal Register and the difference must be made up from appropriated funds.

In addition to the Federal Register price increase, the committee adopted a two-tier pricing schedule for the Weekly Compilation of Presidential Documents: first class mailing $30 per year; nonpriority mailing $15 per year. Currently the price is $15 per year and all copies are mailed first class.

It is our intent that only those publications included in the Special Sales Program category should be subsidized. Therefore, the General Sales Program publications will be priced in accordance with the philosophy previously discussed unless the Appropriations Committees indicate an intent to subsidize additional publications or cost elements.

PUBLICATION RECEIPT AND CONTROL SYSTEM

In 1973, a Systems Task Force was established to design electronic data processing systems relating to the documents area. Their research and factfinding substantiated the impression that the present manual systems of bulk publication inventory control and order processing were no longer suitable to handle current volumes in a timely manner. A computerized bulk publication receipt and control system was designed and is now operating parallel with the manual system. Full implementation should be completed by mid-May 1975.

The publication receipt and control system is an online, interactive data base, computerized teleprocessing system designed to automate the inventory control of the approximately 25,000 titles of bulk warehoused publications. It should track bulk publications from the time a printing order is initiated through warehouse receiving, locating, and subsequent shipping in response to orders from the forward units for retail order processing. This system will improve the speed, accuracy, and control of the bulk inventory processing.

I would like to submit, for the record, more detailed supporting data and justification for the appropriation requests for fiscal year 1976.

That concludes my general statement. I will be happy to answer your questions.

NEW PRINTING PLANT

Senator HOLLINGS. Very good. Going right to the matter of the new building and in view of the steadily increasing percentage of work done commercially, shouldn't you be thinking about an office building rather than a printing plant?

Mr. McCORMICK. I would first agree, of course, that the percentage of commercially procured work has been increasing. We have attained a level wherein about 70 percent of the total printing was purchased from outside sources through this fiscal year.

I think that is about the maximum. That is a percentage of a steadily increasing total. The amount of work that we do in-house has pretty much been static. This is primarily congressional work which we feel must be done within a Government facility to meet the schedules required by the Congress. The thrust of the building project is to do that work more efficiently and effectively.

We feel that it will have to be done in-house and if we do it in a new facility we can save something in the neighborhood of $11 to $12 million a year.

Senator HOLLINGS. Are you pulling back from that request for site acquisition?

Mr. McCORMICK. No, sir. We have not taken all of the necessary steps.

Senator HOLLINGS. When are you going to make those necessary steps? I am anxious to save that $11 to $12 million. I know you are. What is holding us up?

Mr. McCORMICK. Procedural matters, I would have to say, is the primary reason.

Senator HOLLINGS. What does that mean to me?

Mr. McCORMICK. Clearing through the House and Senate Public Works Committees.

Senator HOLLINGS. Have they had any holdup at the hearings?

Mr. McCORMICK. Not to my knowledge. The preparation of the prospectus by the GSA would be the major delaying factor.

ENVIRONMENTAL IMPACT STUDY

Senator HOLLINGS. What is the status of the Environmental Impact Statement? You remember we put up $300,000 for that.

Mr. McCORMICK. Yes, sir. You did. The awards have been made. That is proceeding.

Senator HOLLINGS. But you do not yet have in hand the Environmental Impact Statement?

Mr. McCORMICK. No, sir. We do have the prospectus. There was a complication as to how the prospectus for a legislative agency is requested by the GSA. That was the big holdup. It is now prepared and in the hands of the Joint Committee on Printing. We understand they have forwarded it to the House and Senate Public Works Committees.

CONGRESSIONAL PRINTING AND BINDING INCREASES

Senator HOLLINGS. I want to insert in the record page 17 of the justification book entitled Billings and Estimated Outstanding Obligations by Category as of September 30, 1974.

[The document follows:]

CONGRESSIONAL PRINTING AND BINDING STATEMENT OF EXPENDITURES FOR FISCAL YEARS 1973 AND 1974 BILLED THROUGH SEPT. 30, 1974; ESTIMATED OUTSTANDING FISCAL YEARS 1973 AND 1974 OBLIGATIONS AS OF SEPT. 30, 1974; ESTIMATED EXPENDITURES FOR FISCAL YEARS 1973, 1974, 1975, AND 1976; ESTIMATED DEFICIENCIES FOR FISCAL YEARS 1973, 1974, AND 1975; TOTAL ESTIMATED REQUIREMENTS FOR FISCAL YEAR 1976

	Total estimated requirements, fiscal year 1973			Total estimated requirements, fiscal year 1974				Total estimated requirements, fiscal year 1976				
	Expenditures billed through Sept. 30, 1974	Outstanding obligations as of Sept. 30, 1974	Estimated expenditures 1973	Expenditures billed through Sept. 30, 1974	Outstanding obligations as of Sept. 30, 1974	Estimated expenditures 1974	Revised estimated expenditures 1975	Estimated expenditures 1976	Estimated deficiency 1973	Estimated deficiency 1974	Estimated deficiency 1975	Total estimated requirements 1976
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1. Congressional Record	$8,685,726	$100,000	$8,785,726	$7,905,310	$2,494,690	$10,400,000	$12,000,000	$14,586,000	$100,000	$400,000	$880,000	$15,966,000
2. Miscellaneous publications	6,741,892	1,018,950	7,760,842	5,676,387	2,323,613	8,000,000	8,024,000	9,100,000	303,171	2,800,000	1,584,000	13,787,171
3. Miscellaneous printing and binding	4,119,866	7,300	4,127,166	3,938,000	.....	3,938,000	4,806,000	4,720,000	9,355	1,171,571	.....	5,900,926
3. Details to Congress	2,899,254	.....	2,899,254	3,908,000	.....	3,908,000	4,260,000	4,686,000	.....	1,074,429	587,750	6,348,179
4. Publications for International Exchange	325,611	313,581	639,192	267,870	341,130	609,000	408,000	442,200	328,861	259,000	.....	1,030,061
5. Franked envelopes and document franks	638,554	204	638,758	742,967	33	743,000	798,000	840,500	.....	.....	1,000	841,500
6. House and Senate committee and business calendars	1,393,323	.....	1,393,323	1,458,103	1,897	1,460,000	1,536,000	1,680,000	.....	110,000	.....	1,790,000
7. Bills, resolutions, and amendments	5,705,436	37,500	5,742,936	6,271,117	84,883	6,356,000	8,077,000	8,325,000	.....	656,000	1,077,000	10,058,000
8. Committee reports	1,617,715	.....	1,617,715	1,823,950	76,050	1,900,000	2,340,000	2,640,000	24,888	.....	660,000	3,324,888
9. Documents	2,015,806	6,229	2,022,035	1,626,998	373,002	2,000,000	2,280,000	2,520,000	601,137	550,000	755,000	4,426,137
10. Hearings	11,925,706	164,688	12,090,394	11,038,571	3,414,429	14,453,000	17,630,000	20,250,000	347,429	3,459,000	1,485,400	25,541,829
11. Federal Register, U.S. Government Manual, Public Papers of the Presidents, and Weekly Compilation of Presidential Documents	4,495,004	.....	4,495,004	5,514,940	218,060	5,733,000	9,351,000	12,206,300	.....	1,740,000	1,823,850	15,770,150
12. Code of Federal Regulations	2,037,655	.....	2,037,655	1,389,691	1,010,309	2,400,000	2,442,000	3,075,000	35,159	480,000	.....	3,590,159
Total	52,601,548	1,648,452	54,300,000	51,561,904	10,338,096	61,900,000	74,000,000	85,100,000	1,800,000	12,700,000	8,900,000	108,500,000

Senator HOLLINGS. We have compared the estimated expenditures for 1976 which total $85.1 million with $54.3 million estimate of 1973, just 3 years ago.

You can see some startling increases. How much of this increase is due to volume and how much is due to inflation?

Mr. MCCORMICK. I would say the majority is due to volume. I don't have it for the 3 years. I do, for example, have for fiscal year 1976 compared with 1975 and of that increase of approximately $28 million, the increase in physical volume accounted for 61 percent. The balance was increased labor costs and materials costs.

FEDERAL REGISTER PROGRAM

Senator HOLLINGS. The increase for the Congressional Record is roughly 50 percent; details to Congress are up by 62 percent; the Committee Reports, 63 percent; and Hearings, 67 percent. But the largest increases are under item 11: the Federal Register, U.S. Government Manual, Public Papers and Weekly Compilations. They are up some 172 percent.

Is the Congress picking up the White House and National Archives printing bills? This was mentioned last year.

Mr. MCCORMICK. That is correct. These are publications that are prepared by the Archives through the Office of the Federal Register. They are the editors of them. We do the printing and the printing costs are charged to Congressional Printing and Binding. The Federal Register contains the rules and regulations that are promulgated by all of the agencies.

Senator HOLLINGS. The executive agencies?

Mr. MCCORMICK. Yes, sir, executive agencies. The Archivist does not have control of the material. All he does is perform editorial functions.

Senator HOLLINGS. But you sit on a committee that determines the costs. Has any thought been given to getting the executive branch to pick up those costs?

Mr. MCCORMICK. We have discussed that concept informally. The Government Printing Office would have no concern about it. The cost to the Government, of course, would be the same. It would be a transfer from the legislative congressional appropriation to the General Services Administration, I assume.

There is one consideration, of course, because of the fluctuations in volume and our inability to determine the volume of printing work that is going to be generated from 1 year to the other, our appropriation language allows us to obligate funds and in effect go into a deficiency position and come back next year and request funds to make that up.

I would assume that similar language would have to be inserted in the General Services Administration appropriation if they were to take the responsibility for these printing and binding costs.

Senator HOLLINGS. Senator Schweiker?

COSTS FOR NEW BUILDING

Senator SCHWEIKER. On the construction, may I ask a question?

Senator HOLLINGS. Sure.

Senator SCHWEIKER. As I read your report here, the costs now are $158 million for the new building. Is that right?

Mr. MCCORMICK. That would exclude the moving costs.

Senator SCHWEIKER. A moment ago when you said there was some second thoughts, how does that affect the $158 million project, or did I misunderstand what you said?

Mr. MCCORMICK. I think you misunderstood me, Senator. I didn't intend to indicate second thoughts.

Senator SCHWEIKER. This would completely abandon the present location you have now and move everything?

Mr. MCCORMICK. Yes, sir, that is correct.

COMMERCIALLY PROCURED PRINTING INCREASING

Senator SCHWEIKER. You were telling us something about office space versus printing, production space. Maybe I missed the point you are making.

Mr. MCCORMICK. The Chairman made the point that we are increasing our percentage of commercially procured business. We have gone since 1956 from about 50–50 to a ratio of about 70–30, currently. Seventy percent is external. But the work that we are doing in-house is essentially the same. It is primarily congressional work.

Senator SCHWEIKER. The new $158 million plant would basically continue at that same ratio of in-house work?

Mr. MCCORMICK. Yes, sir, approximately.

ESTIMATED SAVINGS WITH A NEW BUILDING

Senator SCHWEIKER. How much did you say you might save by in-house work by a new location?

Mr. MCCORMICK. The estimates are in the range of $10 million to $12 million annually.

Senator SCHWEIKER. Originally, as I read your report, you didn't want to move from this location. You just wanted to build an annex. The National Capital Planning Commission pretty well said they wanted you to move. Is that about the gist of it?

Mr. MCCORMICK. Yes, sir. Two years ago the plan was for an eight-story addition to our present facility. The savings from a new facility will result primarily from lower materials-handling costs. We have an eight-story facility. It is inherently inefficient.

We are spending quite a bit of money moving paper and metals up and down these eight stories. The eight-story addition was an alternative which apparently was given very serious consideration because they couldn't find a suitable site within the District of Columbia. With the help of the National Capital Planning Commission and the visitor center concept, we have been able to find a suitable location within the District.

SQUARE FOOTAGE COSTS FOR NEW BUILDING

Senator SCHWEIKER. How many square feet is in that $158 million project?

Mr. MCCORMICK. 2.1 million, approximately. That, by the way, is less than in our present total of owned and leased facilities.

Senator SCHWEIKER. Is that $75 a square foot?

Mr. McCORMICK. I think that is approximately correct. Is it not, Mr. DeVaughn?

Mr. DEVAUGHN. Cost per square foot.

Senator SCHWEIKER. That sounds rather high.

Mr. McCORMICK. The building construction costs are about $140 million, so $70 to $75 is roughly the figure.

Senator SCHWEIKER. Go ahead.

Mr. McCORMICK. I am not an engineer and really am not qualified to speak with respect to the relative costs. We have discussed this with GSA because it did strike me as high. This is heavily reinforced construction, which is capable of handling very heavy equipment, moving machinery, and would be really expensive to get the underpinning for. I would like, if I may, to provide a detailed technical analysis of that cost.

Senator HOLLINGS. Yes; please insert the analysis in the record.

[The analysis follows:]

ANALYSIS OF COST PER SQUARE FOOT

The estimated total cost pertaining to the GPO proposed building project amounts to $158 million, of which the estimated construction cost amounts to $139.5 million. The estimated construction cost per square foot is about $66 ($139.5 million ÷ 2.1 million square feet). See attached comparison of existing GPO area, expansion proprosal area, and relocation proposal area.

The proposed complex will have a first floor loading capacity of an estimated 600 to 800 pounds per square foot, as opposed to an office building which is usually 150 to 200 pounds per square foot. A library might be designed within a range of 200 to 450 pounds per square foot. The proposed GPO building will require long column spans in order to accomodate heavy presses and production equipment and dense vertical paper storage. The first floor will be about 30 feet high. Auxiliary equipment such as elevators, airconditioning equipment, etc, must be heavy-duty in nature due to industrial type use. Also, we must comply to OSHA facilities standards, as well as accomodate rail and truck facilities.

The cost per square foot on similar buildings has a wide range of fluctuation. For example, the Dodge Digest of Building Costs and Specifications, issued September 1974 (copy attached), shows a Mailing Facilities Building in St. Louis, Missouri, costing $77.68 per square foot; and a Library in Bronx, New York, costing $62.63 per square foot. Also, the Digest shows a low of $24.63 per square foot for a Post Office Building in San Jose, California. The Dodge Digest, issued September 1973, shows a Maintenance Building in New York, New York, costing $84.43 per square foot on the high side and $21.31 per square foot for a Maintenance Building in Ohio on the low side.

EXISTING GPO AREA

FACILITY	SQUARE FEET
Bldgs. 1-2-3-4	1,587,000
Docs. Warehouses	
Laurel I	180,000
Laurel II	200,000
Eisenhower I	37,000
Eisenhower II	56,000
Mat'ls Mgt. Warehouse	
Franconia Ave.	172,000
Union Center Plaza	
Public Documents	50,000
Data Systems	10,000
Miscellaneous	32,000
TOTAL	2,324,000

EXPANSION PROPOSAL AREA

FACILITY	SQUARE FEET
Bldgs. 1-2-3-4	1,587,000
Bldg. 5	1,337,000
TOTAL	2,924,000

Const. Cost	$110,307,000
Cost/sq. ft.	$ 82

RELOCATION PROPOSAL AREA

FACILITY	SQUARE FEET
Brentwood 1st Floor	1,000,000
Brentwood 2nd Floor	800,000
Brentwood 3rd Floor	300,000
TOTAL	2,100,000

Const. Cost	$139,546,000
Cost/sq. ft.	$ 66

NO.	LOCATION	BID DATE	STORIES	STRUCTURE	EXT.	ROOF	FLOOR	INT. WALL	TOTAL SQUARE	TOTAL CUBE	STRUCT.	PLUMBING	H. & V.	A/C	ELECT.	MISC.	TOTAL	$/SQ.	$/CUBE
11	Library Brooklyn, NY 99	3/73	2	Stl. frm. strucl. syst.	brk.	precast plks. on open web jsts., b.u.	conc., VAT, cer. mosaic tile	exp. glazed tile	7,600	103,363	304	38	-----	---53--	53	*4	452	59.53	4.38
									2 Rectangles - 23 Rms. incl. 2 large reading rms. & pub. mtg. rm; libr. staff spaces. Book stacks, display cases, book drop, kitch. area. Elec. basebd. & hot air htg. syst.; multi-zone rf. top unit 32 T. w/gas fired furn. A/C syst. *Built-in Equip.									
12	Library (Public) South Ozone Park, NY 99	9/72	1 & Part Bas.	Stl. & conc. strucl. syst.	conc. blk., brk. & glass	T&G slag finish	VAT	ptd. shelving	7,650	150,000	305	40	15	25	75	*10	470	61.44	3.13
									Rectangular - 75'x100' -- Library Community mtg. rm., book shelving. Gas fired steam htg. syst.; duct diffusers 30 T. A/C syst. *Built-in Equip.									
13	Library (Public) Dimmitt, TX 53	10/ 72	1	Stl.cols & jsts. strucl. syst.	f. brk.	b.u. tar & gravel	cpt., Q.T.	vinyl w.c.	7,810	109,340	107	5	-----	---15--	13	*2	141	18.09	1.29
									Rectangular - 71'x110' -- 16 Rms. incl. Foyer, reading areas, circulation & catalogue area, childrens area, mtg. rm for 60, lnge., stor. & work rms., off. 2 Movie screens, millwk. & pre-fab kitch. unit. Rf. top unit, 300,000 BTUH gas & elec. reheat htg. syst.; 25 T. A/C syst. *Built-in Equip.									
14	Library Ozone Park, NY 99	6/73	1	Stl. frm. strucl. syst.	brk.	b.u. on stl. dk. conc. fill	VAT	ptd. gyp. bd., conc. blk.	8,025	81,550	*268	31	-----	---73--	52		425	53.01	5.22
									Irregular Parallelogram - 110'x70' -- Adult reading rm. (seats 100), childrens reading rm (50), multi-purpose & comm. rm (50), workrm., staff lnge. & off's. Bookcases, display & directory, lockers & flagpole. Gas furn. & elec. conv. htg. syst.; Pkgd. unit, 2 15 T. units A/C syst. *Incl. General									
15	Library (Public) Bronx, NY 99	8/72	1	Stl. frm. strucl. syst.	f. brk.	lt. wt. insul., conc. fill	cer., VAT	ptd. blk.	9,200	144,000	402	35	-----	---75--	64		576	62.63	4.00
									Rectangular - 92'x100' -- H.W. heat & warm air htg. syst.; air-cooled rf. mtd., multi-zone unit A/C syst.									

NO.	LOCATION	BID DATE	STORIES	STRUCTURE	EXT.	ROOF	FLOOR	INT. WALL	TOTAL SQUARE	TOTAL CUBE	STRUCT.	PLUMBING	H. & V.	A/C	ELECT.	MISC.	TOTAL	$/SQ.	$/CUBE
1	Post Office Building East Hanover, NJ 144	12/ 73	1	Comb. stl.frm. stl.jsts wall br'g.	brk.	insul. bd. & prd. gyp.	VAT	wd.pnl., ptd. gyp.bd., conc. blk.	9,192	152,000	287	26	------	---46-	32	*15	406	44.12	2.67
									Rectangular - Pub. area wing 102'x125' -- Hi-work rm. w/susp. look-out gallery, conc. vault, 15 employees, operational & pub. serv. spaces. Counter & writing desks, postal serv. furn. lock-boxes, vendor mail drop & serv. counter cbn'ts.Oil fired H.W.basebd. 633,000 BTU htg. syst.; 25 T. pkge. rf. A/C syst. *Built-in Equip.									
2	Post Office Baltimore, MD 10	11/ 73	1	Wall bms. stl. jsts. strucl. syst.	brk.	b.u. on stl. dk.	VAT, terr., cpt., asph.plk cork	ptd.CMU brk., plaster, gyp. bd.	10,000	150,000	344	70	------	---61-	30	*20	525	52.49	3.50
									Rectangular - 111'x88' -- 11 Rms., plus lookout gallery. Scissors lift, postal equip. H.W. fin. tube rods htg. syst.; 2 Air handling units A/C syst. *Built-in Equip.									
3	Post Office Building San Jose, CA 101	1/74	1	Wd. purlins glu-lam wd.bms. stl.col.	conc., mas. slump units	b.u. o/ plywd. shthg. insul. und.shth			19,500	380,000	269	36	------	--107-	61	*8	480	24.63	1.26
									Square - 138'x137' -- Gas fired htrs. htg. syst.; rf. top self cont. units 50 T. A/C syst. *Built-in Equip.									
4	Post Office & Federal Office Bldg. Denton, TX 53	6/73	2 & Part Bas.	Strucl. stl. strucl. syst.	stucco	lt. wt. conc.	VAT	brk., wsct.w/ ptd. blk above	91,330	1,466,140	837	------	--602-	------	339	*1,621	3,399	37.22	2.32
									Rectangle - 273'x238' -- 238 total rms. 35 off's., postal inspect. catwalk, 2900 SF Civil Defense shelter on 2nd flr. Incin., 2 elev's., demount partns., 6 dock lifts, power dock doors. Gas fired boiler 325 T. htg. syst.; Centri. chillers 260 T.A/C syst. *Incl. Architectural & Built-in Equip.									
5	Mailing Facilities St. Louis County, MO 124	1/73	1 & 3	Strucl. stl. frm. strucl. syst.	mtl.sdg. & pre-cast conc. pnls.	b.u. insul. on mtl. dk.	conc.	ptd. CMU	280,000	11,200,000	6,750	250	2,350-	-------	2,100	*10,300	21,750	77.68	1.94
									"L" - 432'x444' -- Off. area 48'x432'. Work rm., large computer rm. Conveyors, sorters, slides, chutes. Gas fired H.W. 14,000 MBH htg. syst.; Chilled water (elec. centrif. chiller) 1900 T. A/C syst. *Built-in Equip.									

NO.	LOCATION	BID DATE	STORIES	STRUCTURE	EXT.	ROOF	FLOOR	INT. WALL	TOTAL SQUARE	TOTAL CUBE	STRUCT.	PLUMBING	H. & V.	A/C	ELECT.	MISC.	TOTAL	$/SQ.	$/CUBE
1	Maintenance & Repair Building Perry Co. Ohio	6/71	1		conc. blk.	trussed rafter	conc.	plywd. & drywall	2,466	48,711	36	7	5		4		53	21.31	1.08
	Rect.; - 36'x80'8" -- 5-garage spaces, office, toilet & storage room. Elec. basebd. & U.H. & oil-fired furnace htg. syst.																		
2	Meat Processing Plant Davenport, Iowa	1/72	2 & Bas.	wall br'g. strucl. syst.	conc.blk. (shadow blk.)	stl. dk. on bar jsts.	non-slip conc.	epoxy pt.	4,000	92,000	93	6	---4---		5		107	26.63	1.16
	Rect.; - 40'x100' -- 53'x40'x10' cooler, prefab const., involves 3 rms. - cooler rm. (+30°),processing rm. (54°), & freezer rm.(-10°). Cooler bldg. area, cooling load equals 136,800 BTU. Air syst. 125,000BTU htg. syst.; Air syst. 36,000BTU air cond. syst.																		
3	Maintenance Shop Bldg. Lexington, Kentucky	6/71	1	stl. & bar jsts. strucl. syst.	tilt-up conc.	mtl. dk. b.u.	liquid hardener	pt.	4,588	87,172	59	21	14		9		101	22.10	1.16
	Rect.; - 62'x74' -- 5 work bays for vehicle maintenance, plus office & storage area, carbon monoxide exhaust syst. Gas radiant htg. syst.																		
4	Maintenance Building Middletown, Ohio	6/71	1	pre-engr. strucl. syst.	stl. pnl.	stl.pnl.	exp. conc.	stl. pnl.	4,800	57,600	48	10	5		6		69	14.32	1.19
	Rect.; - 40'x120' -- Storage, maintenance garage, office, rest rms. Elec. unit heaters htg. syst.																		
5	Maintenance Building Farmington, Michigan	10/ 72	1	stl. jsts. strucl. syst.	brk.	mtl. dk. insul. b.u.	conc. cer. & VAT	exp. painted	4,978	56,751	95	--27---			8		130	26.18	2.30
	Rect. - 107'x39' -- Wash & repair stall, vehicle repair and lube stall, tool crib, toilet rm. shower, lunch rm., vehicle storage garage, twin post lift, A/C unit in lunchroom. Unit heaters - gas fired htg. syst.																		
6	Manufacturing Plant Elyria, Ohio	9/72	1	mas.br'g walls & stl.jsts strucl. syst.	face brk. & conc. blk.	b.u.rf. 1-1/2" rig.ins. o/1-1/2" mtl.dk.	conc. & VAT	conc.blk. & wd. pnl.	8,300	99,600	50	---16---			19		85	10.23	.85
	Rect.; - 62'x143' -- 4 offices, vestibule, toilets & ship. 100,000 BTUH total input heating htg. syst.; Roof-top unit, 2-1/2 tons air cond. syst.																		
7	Maintenance Building Wyoming, Illinois	5/72	1	stl. strucl. syst.	mtl. pnl.	mtl.	conc.	plywd. & paint	10,240	152,500	101	10	12		15		137	13.34	.90
	Rect.; - 40'x256' -- 9 Bays. Gas 88,000 BTUH htg. syst.																		
8	Maintenance Building New York, New York	7/71	1 & Bas. Part S.B	strucl. stl. strucl. syst.	face brk.	insul. conc. plank	dust-proof conc.	exp. blk.	10,162		621	*56	63		82	**37	858	84.43***	
	Rect.; - 100'x45' -- Security office, truck dock, flammable gas stor., solvent stor., & building service area, ash cart. Unit htrs. htg. syst. *Incl. Spkr. **Built-in Equip. ***Incls. elevator & alterations.																		

SUMMARY OF ESTIMATED
COST OF PROPOSED
GPO BUILDING

ESTIMATED SITE COST		
Land Cost	$ 10,000,000	
Appraisal, Legal Fees, Etc.	33,000	
Survey	20,000	
Relocation Cost	100,000	
Total Estimated Site Cost		$ 10,153,000
ESTIMATED DESIGN AND REVIEW COST		
Architect-Engineering Fee	4,323,000	
Feasibility Study for GPO	821,000	
GSA Review Cost	190,000	
Survey and Tests	91,000	
CPM	126,000	
Reproduction	72,000	
Invitation and Bid Expense	8,000	
Travel	8,000	
Total Estimated Design and Review Cost		5,639,000
ESTIMATED CONSTRUCTION COST		
Current Estimate Contract Amount 1/	116,226,000	
Escalation to Dec. 1974	12,204,000	
Contingencies	6,422,000	
Reservations, Carpet, Partitions, Lamps 1/	4,694,000	
Total Estimated Construction Cost		139,546,000
ESTIMATED MANAGEMENT AND INSPECTION COST		
Contract Management and Inspection Cost	2,567,000	
Material Testing	113,000	
Travel	16,000	
Total Estimated Management and Inspection Cost		2,696,000
ESTIMATED TOTAL PROJECT COST		$158,034,000

1/ See Attachment for Detail Breakdown.

ATTACHMENT I

CURRENT ESTIMATE CONTRACT AMOUNT

Construction	$ 73,235,000
Airconditioning	17,860,000
Elevators	2,350,000
Blt-in Equipment	2,585,000
Site Development	9,426,000
Utilities	1,334,000
Special Foundations	3,703,000
Railroad Siding	199,000
Phasing	5,534,000
Total Construction Cost	$116,226,000

RESERVATIONS

Lamps and Tubes	$ 257,000
Landscaping	642,000
Fine Arts	642,000
Movable Partitions	1,730,000
Exterior Lighting	642,000
Case and Seals	12,000
Others (Carpets, etc.)	769,000
Total Reservations Cost	$4,694,000

SELECTION OF BUILDING SITE

Senator SCHWEIKER. Did you consider any other locations farther out that might perhaps be cheaper?

Mr. MCCORMICK. Yes, sir. We have done a fairly extensive review of possible sites. As a matter of fact, we were unable to come up with one at all.

Senator SCHWEIKER. One in addition to this?

Mr. MCCORMICK. Yes, sir.

Senator SCHWEIKER. You are saying there is nothing available?

Mr. MCCORMICK. Nothing available. The sites that are available, they are not willing to make available for industrial complexes such as ours.

Mr. DEVAUGHN. The particular site that has been chosen is not suitable for housing. It is right next to a railroad siding. There is a cement plant down there. It is completely unsuitable for anything except this.

Senator SCHWEIKER. Are you looking at anything at all out of the District?

Mr. MCCORMICK. We have looked in the local suburban areas.

Senator SCHWEIKER. If you are building this kind of a heavy building, I could see where it probably would be expensive. I would dare say there would not be very many industries today that would want this in the city from the severe standpoint of cost alone. I would consider that a basic question.

Mr. MCCORMICK. There was a fairly extensive study done on the various locations which I would like to present.

Senator SCHWEIKER. All right. That is all on that point, Mr. Chairman.

Senator HOLLINGS. Do you have it at $75 a square foot?

Senator SCHWEIKER. That is what I figure. It sounds horrendous.

Senator HOLLINGS. The Madison Memorial Library estimate last year was $36 a square foot. In fairness, they have asked for an additional $10 to $20 million. That still wouldn't run it up over $50 a square foot.

Senator SCHWEIKER. It is horrendously high for anything I am familiar with.

Senator HOLLINGS. Who has charge of the estimates? GSA?

Mr. MCCORMICK. Yes, sir.

Senator SCHWEIKER. I realize really this is none of your province.

Senator HOLLINGS. Mr. McCormick, please insert that study on the various locations at this point in the record.

[The study follows:]

BACKGROUND

GPO SPACE NEEDS:

It is well documented that the GPO, JCP and the Congress have recognized the need of additional space at the GPO since 1954. At that time a Public Law (87-373) was approved for a contiguous annex expansion. Subsequent studies by a consultant (Charles T. Main Company) indicated that the annex approach did not really solve the basic GPO problem, which was plant layout and existing facility physical restrictions.

GPO RELOCATION:

The Main studies suggested that the annex approach would eventually lead to a multiplication of the then existing problems. As a result, relocation appeared to be the best solution to provide a functional, efficient and economical plant and equipment layout. Subsequently, funds were approved for site studies for relocation and corresponding partial plant layout studies were initiated; all to no avail. Adverse influence from such factions as District planning groups, socio-economic organizations and segments of industry prevailed in curtailing any type of GPO plant type space augmentation. As a result, GPO has been forced to utilize segmented satellite space rental to maintain operations. The tentacles of such rental areas have reached as far as Franconia, Virginia.

GPO PLANT LAYOUT AND PHYSICAL NEEDS:

Today's need for GPO operational space is fundamentally the same as 1954. These basic requirements were and are to overcome: a materials handling system that relies wholly on freight

elevators and industrial trucks for product distribution, lack of a straight line arrangement of production equipment, limited floor capacities, low ceilings, inability to utilize larger, faster and more efficient press equipment and the lack of expanse required to utilize the efficiencies of mechanization, automation and the latest printing technological advances.

GPO'S PROBLEMS COMPOUNDED:

Through the years since 1954, GPO has frequently delayed inhouse repair or refurbishment projects due to the veiled improvements of expansion or relocation. Continued escalation of printing costs, Congressional demands for Government economy and increased productivity, plus the required conformance to the OSHA criteria, places GPO in a difficult if not an impossible position of mission responsiveness.

LOCATION ANALYSIS NEEDED:

The additional GPO space presents a particularily peculiar impact as it will affect almost every area for consideration. GPO is actually an industrial complex faced with continual demands and requirements which are almost foreign to other Government facilities located in the District of Columbia. The site consideration, therefore, necessitates paramount consideration.

CRITERIA

SIZE:

Predesign studies conducted in 1965 by the Charles T. Main Company delineated a minimum floor area for GPO of 2.1 million square feet to satisfy a 20-year projection requirement. It is

reasonably safe to say because of technical improvements in printing technology that the 20-year prognostication could be increased to at least 30 years. GPO now anticipates it would require about 1,000,000 square feet on the first floor, about 800,000 square feet on the second floor, and 300,000 square feet on the third floor. Therefore, to facilitate the building area plus ancilliary activities of employee parking, trucks, railroad sidings, etc., a site of 35 - 40 acres should be considered. The tract site should be proximate to the Congress and at most 15 minutes via moter vehicle to the Capitol. As a practical outer limit, the site should be within the Beltway and not be in excess of 45 acres.

DESCRIPTION OF LAND:

The site should have adequate drainage and be free of topographical and geological features that would make construction unusually difficult. Of substantive importance is the fact that the soil-bearing compatibility be commensurate with the load that will be imposed upon the site by this industrial type building.

PLANNING CONSIDERATIONS:

The following criteria are grouped under the general heading of Planning Considerations. A discussion under this heading reviews each site for its merits with regard to the listed planning criteria:

Access - The site should have optimum access to both rail and major highway systems. Immediate proximity to the Metro system and bus transportation is of paramount

importance as the bulk of GPO employees reside within the District. Of prime importance is that GPO be relocated no more than 15 minutes from the Capitol via major vehicle mode of transportation. Employee parking and availability to public utilities (water, gas, sewer, etc.) also present significant considerations.

Site protection - Proposed or existing use of the land surrounding the site should be compatible with the function and character of the proposed building.

Coordination - The site should be in consonance with both the District, NCPC and community master plans. Presently, GPO is located proximate to the National Visitors Transportation Center and GPO's industrial type environment must be weighed vis-a-vis their impact on the center. Additionally, the impact on any area by GPO relocation is an important factor to be reckoned with. Finally, the degree of community acceptance of the proposed building should be carefully evaluated.

With regard to relocation, it is significant to note that we have previously "touched base" with the following groups: Federal agencies, Printing Industry of America, GSA, our local unions and employees, our present neighbors, NCPC, the District, the northeast neighborhood citizens and their representatives.

We do not have any funding yet nor do we have any building plans per se. Our approach thus far has been on a conceptual basis and

should certainly suggest that the Public Printer both recognizes and wants all affected parties to provide input at an early developmental stage, rather than to arbitrarily thrust final plans and intentions on any affected parties.

District of Columbia
Site Analysis, Site 1, Brentwood Road NE.

LOCATION:

Approximately bounded by T Street, Brentwood Road and at Metro Station in the northeast section of the District. Driving time to the Capitol is approximately 15 minutes.

DESCRIPTION:

The site consists of approximately 33 acres, the major portion of which is relatively flat. The western portion of the tract does fall away at a moderate grade. Currently clean landfill is being deposited on the sloping areas of the tract but presents no real problem. As for the moderate grade area, it is felt this is not detrimental and quite possibly a plus factor as building design is not yet an entity. This factor of grade could provide transportation access to the first two floors of the contemplated building, possibly a substantial plus factor. Drainage is adequate. Subsoil conditions are not thought to present extraordinary construction problems.

UTILITIES:

Utilities should present no real problem as this total area presents strong industrial development possibilities.

PLANNING CONSIDERATIONS:

Both the NCPC and the District Special Advisory Commission envision this general area as an ideal location for industrial development within the District; possibly an industrial printing park. The relocation to this general area (referred to as the New York Avenue industrial corridor) would provide the initial impetus for industrial groups, thereby providing the District with enormous economic development potential. There is presently no housing located on the intended site, however some minor industrial activity does exist. The relocation of such activities appears to be a minimum consideration and we understand the present landlords have acceptable contingency plans for these industrial activities if GPO relocation becomes a reality.

Rail, truck, employee parking, highways and Metro will provide almost ideal transportation conditions. Presently, a Metro station is located at a distance that a covered, private and secure access to and from GPO to the station is possible.

The GPO has four satellite warehousing facilities, three of which are located in Virginia. The relocation would consolidate the entire GPO operation and retrieve Virginia employment back to the District.

GPO's present location with its industrial atmosphere does place it out of character with the private National Visitors Transportation Center.

The vacated areas of the present GPO also offers additional economic growth potential in that it would probably be utilized to complement the Visitors Center.

Thus far, GPO has presented the relocation to members of the Printing Industry, Federal agencies, local and community leaders, GPO union representatives, the Mayor's office, etc. The reactions from these affected parties is considered to be favorable.

The contemplated parcel is privately owned and based on current market values should not exceed $9,000,000 for the 34 acres. An independent appraisal of existing GPO property quoted a fair market value of $30,000,000.

ADVANTAGES OF THE SITE:

--Coincides with NCPC and District's master plans.

--Endorsed by City Council's Special Advisory group.

--Site allows building to be constructed to exact needs of GPO.

--Requires less building maintenance costs.

--Requires less security.

--Assists District in quest for stronger economic base.

--Allows GPO to be more responsive to printing needs of Congress.

--Presents GPO with an annual estimated savings in excess of $10,000,000 per year.

--Excellent building amortization period.

--Excellent transportation.

--Has GPO union support.

--Direct and safe access to and from work for employees and Metro.

--Requires space no larger than existing structure.

--Allows heavier floor loads and higher ceilings.

--Consolidates GPO operations and retrieves about 50 jobs back to the District from Virginia.

--Less than 15 minutes from Capitol.

--No traffic congestion.

DISADVANTAGES:

--Increased distance of GPO to Capitol.

--Extend travel time for some employees.

--Not Government-owned property.

--Expansion areas might be limited.

District of Columbia
Site Analysis, Site 2, North Capitol & H Street NW.
(contiguous expansion)

LOCATION:

This location represents a contiguous expansion of the existing GPO. Presently GPO occupies about one-half of the area bounded by North Capitol Street, H Street NW, G Street NW, and First Street NW. Proposed, is complete utilization of the latter area.

DESCRIPTION:

The expansion real estate area consists of approximately 133,000 square feet. The surface is flat and contains no large physical structures. Subsoil conditions are considered to be adequate but some problems could develop with present considerations for three levels of underground parking. Existing structure requires razing.

UTILITIES:

Except for natural gas, we cannot foresee any utility problems. Gas main sizes to GPO are provided from a low pressure line on North Capitol Street. Several years ago GPO

investigated the possibility of increased demands with Washington Gas Light Company. As GPO's requirements were not pressing, a wait-and-see approach was adopted. Apparently GPO is located a substantial distance from other gas supplies. Existing gas service for GPO is considerable marginal. GPO utilizes North Capitol Street storm and sewer drains and during periods of heavy rain frequent flooding occurs within the building. Sump pumps are utilized to negate damage.

PLANNING CONSIDERATIONS:

One of the important reasons for space augmentation at GPO is consolidation of main plant and warehousing. Although access is considered good there will be at least a triplication of transportation volume; this in an area already congested. Add to this the traffic of the Visitors Transportation Center and we easily envision some serious transportation problems.

GPO's only access to rail service is via a tunnel under North Capitol Street which is serviced by freight elevators at both ends. This tunnel is over 20 years of age and will require some extensive engineering studies. The tunnel runs under Tiber Creek and its expansion and waterproofing will require study and refurbishment due to age.

Some method of masking GPO's industrial activity must be addressed. The Visitors Center and accompanying services must be given prime consideration; something which will increase GPO's production costs.

The intended expansion site is under control of RLA and should be easily secured by GPO.

The impact on the community should be marginal; however, our domicile profile indicates a worker-to-surburbia trend.

ADVANTAGES:

--Provides more space.

--Little change in existing impact.

--Maintain close proximity to Capitol.

--Government-owned property.

--Metro station not distant.

--No impact on housing.

DISADVANTAGES:

--Additional space at high rates per square foot vis-a-vis relocation.

--Does not allow straight-line flow in all areas.

--High cost for automation due to continued use of older structures with their floor load and ceiling height restrictions.

--Must still utilize buildings, all 70, 50 and 35 years old.

--Conflicts with NCPC plans.

--Possibly conflicts with District's planning.

--Negative impact on transportation.

--Must retain buildings of low floor loads and ceilings.

--Little room for expansion.

--Cost trade-off relocation to contiguous not favorable.

--Will require additional security.

--No substantial economic benefits to the District.

--More space provided but less net useable.

--Building costs will continue to escalate.

--Elevators (36) require overhaul.

District of Columbia
Site Analysis, Site 3, Naval Weapons Plant, M Street SE.

LOCATION:

The area assigned for consideration as a possible location is bounded on the north by M Street, on the east by Isaac Hull Avenue, on the south by Anacostia River and on the west by a line with Second Street, east of the railroad to the edge of building 159 and south to the Anacostia River. Driving time to the Capitol is about 10 minutes.

DESCRIPTION:

The land is level and comprises about 45 acres. The area is now occupied by two buildings, Nos. 159 and 160. Drainage is considered to be adequate. Subsoil conditions are thought to be adequate, but studies would be required. The two buildings require razing.

UTILITIES:

All utilities are present and available.

PLANNING CONSIDERATIONS:

The site provides access to railroads. However, the existing railroad location might effect building configuration. Truck access is possible but there will be a route consideration as the new facility would not border on M Street. The facility for employee transportation via Metro or bus will bear investigation.

The land is Government-owned and we do not envision strong community resistance.

The site is close to the Capitol. It is, however, noted that the area is subject to flooding with high water marks noted at 18" above present floor levels.

It would appear that this site would not fall in line with NCPC and possibly District planning.

Would require study to determine what impact GPO's rail and truck traffic would pose to the surrounding facilities and community.

ADVANTAGES:

--Close to the Capitol.

--Site is Government-owned.

--Not too disruptive to employees.

--No impact on housing.

DISADVANTAGES:

--Demolition of existing structures would be costly.

--No study of existing foundations have been made. However, it is believed that removal of existing foundation would also be costly.

--Area is subject to flooding.

--Site is better suited for high density population due to proximity to Capitol.

--Provides only moderate economic base potential to the District.

District of Columbia
Site Analysis, Site 4, Scuderi Site

LOCATION:

The site is located within a triangular area bounded by the John Hanson Highway, the Capital Beltway and the Pennsylvania Railroad tracks 5 miles from the District line

in Prince Georges County. Travel time to the Capitol is 20 - 25 minutes by motor vehicle.

DESCRIPTION:

The tract is relatively flat and would meet the acreage required and has no structures on the site. The largest landholder is the Scuderi Brothers who own about 75 acres. The site appears to afford no drainage problems and is free from topographical features that would make construction unusually difficult. Subsurface or geological conditions have not been studied, therefore soil bearing capacity is in doubt.

UTILITIES:

No problems.

PLANNING CONSIDERATIONS:

Access presents difficult problems for motor vehicles and trucks. Several years ago NCPC did not consider this tract adequate to serve a large Federal employment center such as GPO, but rather for utilization by a low density industrial facility. To our best knowledge, nothing has evolved to change this rationale. Rail access is good, however the railroad does not front on the property and a right-of-way would be required.

Public transportation could present a problem as there are no bus routes or Metro stops close by.

The land is publicly-owned and the impact on the local communities of the District and Prince Georges County would be negative.

ADVANTAGES:

--Good expansion possibility.

--Provides GPO construction.

--Good utilities.

DISADVANTAGES:

--Over 20 minutes to Capitol.

--Poor highway access.

--Transportation only fair, except for railroad.

--Probably cause negative county and District reaction.

--Does not coincide with NCPC and possibly District planning.

--Not Government-owned property.

	BRENTWOOD SITE (D.C.)	EXPANSION (CONTIGUOUS) (D.C.)	NAVAL WEAPONS PLANT (D.C.)	SCUDERI SITE (MD.)
LOCAL COMMUNITY SUPPORT	XX	X	X	
COMMUNITY AREA SUPPORT	XX	X	X	
G.P.O. REQUIREMENTS	XXX		X	XX
PHYSICAL CHARACTERISTICS	X			X
IMPACT ON G.P.O PRODUCTIVITY & PRINTING COST	XX	X		XX
ACCESS ROAD R.R.	XX		X	
ACCESS PUBLIC TRANSPORTATION	XX	X		
SITE PROTECTION	X			X
CONFORMANCE WITH LOCAL PLANS	X			
LAND VALUATION	X	X	X	
IMPACT ON SOCIAL & ECONOMIC CONDITIONS	XXXX	X	X	XX
IMPACT G.P.O. UNIONS	XX	X	X	
PROXIMITY TO CAPITOL	X	XX	XX	
UTILITIES	X		XX	XX

X DENOTES DESIREABLE CORRELATION
EVALUATION COMMENT FOR
PRINCIPLE SITE DISCUSSIONS

AGED ACCOUNTS RECEIVABLE

Senator HOLLINGS. On the matter of the payment of bills, I will insert in the record your report of accounts receivable as of March 25, 1975.

[The report follows:]

ACCOUNTS RECEIVABLE - GOVERNMENT (PB)
AS OF MARCH 25, 1975

	AGE 0-30 DAYS	AGE 31-60 DAYS	AGE 61 AND OVER	TOTAL AMOUNT
STATIONERY ROOMS	6,683	697	255	7,635
LIBRARY OF CONGRESS	460,139	1,121	35,368	496,628
LIBRARY BRANCH			146	146
GENERAL ACCOUNTING OFFICE	52,878	86,966	107,666	247,510
OFFICE OF TECHNOLOGY ASSESSMENT	444		3,961	4,405
SUPREME COURT OF THE UNITED STATES	5,716			5,716
ADMINISTRATIVE OFFICE OF THE U.S. COURTS	22,716		4,371	27,087
FEDERAL JUDICAL CENTER			2,666	2,666
COURT OF CUSTOMS AND PATENT APPEALS	411			411
COURT OF CLAIMS	1,018-		1,018	
OFFICE OF MANAGEMENT AND BUDGET	59,709		913-	58,796
COUNCIL OF ECONOMIC ADVISORS	2	23		25
COUNCIL OF ENVIRONMENTAL QUALITY	4,007	7,975	602	12,584
COUNCIL OF INTERNATIONAL ECONOMIC POLICY	6,198			6,198
FEDERAL ENERGY OFFICE	50,920	2,604		53,524
NATIONAL SECURITY COUNCIL	2			2
NATL COMM ON PRODUCTIVITY & WORK QUALITY	3,327	2,200		5,527
OFFICE OF EMERGENCY PREPAREDNESS	2		5,092	5,094
OFFICE OF SCIENCE AND TECHNOLOGY	53-	53		
SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS		13	2	15
SPEC ACTION OFFICE FOR DRUG ABUSE PREVENTION	3,280		528	3,808
WHITE HOUSE	8,791			8,791
OVERSEAS PRIVATE INVESTMENT CORP.	2			2
OFFICE OF ECONOMIC OPPORTUNITY	276	15,326	1,234	16,836
NATIONAL COMMISSION ON WATER QUALITY			29,386	29,386
AGRICULTURE	1,438,744	326,269	923,161	2,688,174
COMMERCE	463,580	215,766	466,653	1,145,999
PATENT OFFICE	358,671			358,671
DEPARTMENT OF DEFENSE	235,345	92,264	91,097	418,706
DEFENSE SUPPLY AGENCY	506,997	441,957	103,658	1,052,612
NATIONAL SECURITY AGENCY	143,268		14,255	157,523
PANAMA CANAL CO.	790		3,601	4,391
ARMY	2,994,742	3,084,170	6,137,004	12,215,916
NAVY	3,210,628	2,878,398	7,332,545	13,421,571
AIR FORCE	1,763,966	389,573	692,662	2,846,201
AIR FORCE SYSTEMS COMMAND	136,994	92,116	31,080	260,190

ACCOUNTS RECEIVABLE - GOVERNMENT (PB)
AS OF MARCH 25, 1975

	AGE 0-30 DAYS	AGE 31-60 DAYS	AGE 61 AND OVER	TOTAL AMOUNT
DEFENSE MAPPING AGENCY	109,591	196,455	28,288	334,334
DEPT. OF HEALTH, EDUCATION & WELFARE	2,104,808	1,284,889	871,140	4,260,837
DEPT. OF HOUSING AND URBAN DEVELOPMENT	233,519	22,702	78,996	335,217
DEPARTMENT OF INTERIOR	756,243	178,289	581,438	1,515,970
JUSTICE	331,339	73,743	158,119	563,201
LABOR	334,809	233,733	72,502	641,044
STATE DEPARTMENT	155,949	73,175	76,492	305,616
TREASURY DEPARTMENT	317,156	90,618	565,858	973,632
INTERNAL REVENUE SERVICE	3,857,947	122,241	236,891	4,217,079
DEPARTMENT OF TRANSPORTATION	434,092	33,569	111,190	578,851
ACTION	27,746	39,108	3,578	70,432
ADMINISTRATION CONF. OF UNITED STATES	7,652			7,652
ADVISORY COMM. ON INTERGOVERNMENTAL RELATIONS			7,469	7,469
AMERICAN BATTLE MONUMENTS COMMISSION	2			2
APPALACHIAN REGIONAL	52			52
ATOMIC ENERGY COMMISSION		71,001	184,332	255,333
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATOR	187,234	156,483		343,717
BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM	214			214
CENTRAL INTELLIGENCE AGENCY	18,681		2,835	21,516
CIVIL AERONAUTICS BOARD	29,652			29,652
CIVIL SERVICE COMMISSION	188,278	136,164	273,241	597,683
COMMISSION OF FINE ARTS			403	403
COMMISSION OF CIVIL RIGHTS	28,834		37,181	66,015
COMM. ON POPUL. GROWTH & THE AMERICAN FUTURE			16,660	16,660
CONSUMER PRODUCTION SAFETY COMMISSION	25,680	15,251	9,805	50,736
DISTRICT OF COLUMBIA	28,249	23,792	577-	51,464
ENVIRONMENTAL PROTECTION AGENCY	214,312	28,539	292,995	535,846
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION	9,184	50,699	35,293	95,176
EXPORT - IMPORT BANK	7		6	13
FARM CREDIT ADMINISTRATION	188		2	190
FEDERAL COMMUNICATIONS COMMISSION	36,284	3,188	11,644	51,116
FEDERAL DEPOSIT INSURANCE CORPORATION	6		2,530	2,536
FEDERAL HOME LOAN BANK BOARD	74		18	92
FEDERAL MARITIME COMMISSION	86		5,982	6,068
FEDERAL MEDIATION AND CONCILIATION SERVICE	1,366		3,165	4,531
FEDERAL POWER COMMISSION	10,562		2,798	13,360

ACCOUNTS RECEIVABLE - GOVERNMENT (PB)
AS OF MARCH 25, 1975

	AGE 0-30 DAYS	AGE 31-60 DAYS	AGE 61 AND OVER	TOTAL AMOUNT
FEDERAL TRADE COMMISSION	742	1,332	35,056	37,130
FOREIGN CLAIMS SETTLEMENT COMMISSION	31			31
GENERAL SERVICES ADMINISTRATION	1,061,156	839,187	1,059,047	2,959,390
INDIAN CLAIMS COMMISSION			4	4
INTERSTATE COMMERCE COMMISSION	4,438	125		4,563
SUSQUEHANNA RIVER BASIN COMMISSION	16		6	22
NATIONAL ACADEMY OF SCIENCES			3,845	3,845
NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION	2			2
NATL ADVISORY COUNCIL ON EDUC-PROFESSIONS DEV	63	2,672		2,735
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	413,881	31,991	437,840	883,712
NATL ADV COUNCIL ON EDU DISADVANTAGE CHILDREN		5,165		5,165
NATIONAL CAPITAL HOUSING AUTHORITY	360			360
NATIONAL CAPITAL PLANNING COMMISSION	2		52	54
NATL COMM FOR THE FIN OF POSTSECONDARY EDU.			13,946	13,946
NAT'L COMM. ON ST. WORKMEN'S COMPENSATION LAW			57,416	57,416
NATIONAL FOREST RESERVATION COMMISSION	3,610			3,610
NATIONAL CREDIT UNION ADMINISTRATION	3,226	2,164		5,390
NAT'L FOUNDATION ON THE ARTS & THE HUMANITIES	11,091	2	11,480	22,573
NATIONAL GALLERY OF ART	985	72	505	1,562
NATIONAL LABOR RELATIONS BOARD	127,677	1,478	5,266	134,421
NATIONAL MEDIATION BOARD	50		2	52
NATIONAL SCIENCE FOUNDATION	14,701	18,785	102,199	135,685
U.S.POSTAL SERVICE	2,049,127	648,904	817,815	3,515,846
U.S.POSTAL RATE COMMISSION	18			18
RAILROAD RETIREMENT BOARD	73	54	10	137
RENEGOTIATION BOARD	1,089-		1,089	
SECURITIES AND EXCHANGE COMMISSION	18,176	2	40,960	59,138
SELECTIVE SERVICE SYSTEM	65,869	15,108	29	81,006
SMALL BUSINESS ADMINISTRATION	54,285	121	1,413	55,819
SMITHSONIAN INSTITUTION	25,200	703	7,742	33,645
TARIFF COMMISSION	1,091	102	5,450	6,643
TAX COURT OF THE UNITED STATES	9,626		4,384-	5,242
TENNESSEE VALLEY AUTHORITY	345	276	1,354	1,975
UNITED STATES INFORMATION AGENCY	7,742	294	3,683	11,719
VETERANS ADMINISTRATION	503,705	39,429	42,079	585,213
WATER RESOURCES COUNCIL	5,390			5,390
SUSPENSE ACCOUNTS TO HOLD OVER PAYMENTS			1,020-	1,020-
GRAND TOTALS	25,769,542	12,079,096	22,300,256	60,148,894

LAG IN NAVY ACCOUNTS

Senator HOLLINGS. What effort has the Government Printing Office made to obtain more timely payment? I am referring specifically to the $7.3 million that Navy owed you for more than 61 days.

How do you let that lag behind and what, if anything, is the Navy suggesting by the way of payment?

Mr. MCCORMICK. I would have to say that one of the reasons, with respect to the Navy, is the lag in their system. Their system is such that it requires about 40 to 50 days for an invoice to proceed through the system to be authorized for payment.

We have been working with all of the agencies and with the help of the staff of this committee have had, I think, very good success in getting our total receivables down. The two major problems seem to be Army and Navy in terms of the overdue receivables. We are working with them. They seem to be willing to cooperate and pay us.

The fact is, though, that they do not have a good system for paying invoices and some are outstanding for over 60 days.

Mr. MERCER. We have met with them frequently since October of 1973. They are very cooperative. The fact still remains they have not paid their old bills. They have made two suggestions.

Senator HOLLINGS. What about the suggestions? Tell us about them.

Mr. MERCER. One is for a firm estimate on their work. We are currently considering that. In some instances we are firm estimating jobs. The other suggestion is for the contractors' invoices to go directly to the Navy. We must receive the invoices in the Government Printing Office, review them, add other charges, before we pass them to the Navy.

But as far as Navy paying their old bills, they just aren't doing it. Some are 91 days and over. We met with them and they said that the principal reason was the shortage of cash since they operate under an Industrial Fund. Also their internal operating procedures have a built in timelag in so far as paying our bills.

Mr. MCCORMICK. I think this is something that we can do something about.

Senator HOLLINGS. I would think so.

Mr. MCCORMICK. It is a mechanical bookkeeping process.

Senator HOLLINGS. It takes 60 to 90 days. That is just unforgivable. I don't know whether we should vote for Cambodian aid. Do you think the Navy will take 90 days to get it there? It will be over by then.

If they can't get a bill through that Pentagon in 90 days, I don't know how they can get anything overseas by that time.

BOOKSTORE LOCATIONS

What about these bookstores, Mr. McCormick? For example, you have one in Canton, Ohio, yet there is no bookstore between Washington and Atlanta. Are you all still following the thought that we are all illiterate down South and can't read, or what?

Mr. MCCORMICK. No, sir. We certainly are not. All of these bookstores are located presently in Federal buildings.

Senator HOLLINGS. Except Houston.

Mr. MCCORMICK. This is a planned facility.

Senator HOLLINGS. You are going to put that in a shopping center. Who owns that property?

Mr. MCCORMICK. I don't know.

BOOKSTORE RENTALS FROM GSA

Senator HOLLINGS. What if you went into private facilities where the bookstores could be opened on the weekend, on Saturdays?

Mr. MCCORMICK. This is a part of our evaluation process, up until now we have had the Federal facilities rent-free up until this past fiscal year. Now, the GSA is charging us rent. Our rental costs, of course, we think are fairly high for the type of traffic that we get and the degree of availability to the public.

We think, possibly, a public shopping center would be more attractive, would increase the volume. We are going to have to look at the total bookstore program.

Senator HOLLINGS. Like in Chicago, where you have the bookstore up on the 14th floor of the building, no signs or anything else. You would have to be lost to find a book.

Mr. MCCORMICK. It is almost that bad; yes, sir.

Senator SCHWEIKER. I think one other thing, the people in the Federal Building can get the GPO reports free by going back to their own departments.

So you are putting your merchandise in a location where a lot of people can get it without buying it.

Senator HOLLINGS. And on top of that he says that the rent GSA is charging him is high.

BOOKSTORE WORKLOAD AND STAFFING

You have got in the New York bookstore six employees. They sell $161,000 worth of books. But the same number of employees in San Francisco moved twice that amount. What is the explanation?

Mr. MCCORMICK. I can give you a general explanation which may apply to those two stores. There are differences in the amount of information, type of work, that is required of the people who man these various stores. In some cases, we have two, three, four full-time people to answer questions. In some stores, we don't have that at all.

Mr. Lewis, is there anything you want to add to that?

Senator HOLLINGS. Well, maybe Mr. Lewis can explain how he handles the staffing? It seems to be a problem right here in Washington.

Mr. LEWIS. The staffing in the New York store does more telephone work than they do actual selling of books over the counter, which is the opposite of San Francisco. In San Francisco, there are a number of activities that funnel into the store.

The store in San Francisco is accessible. The store in New York is at 26 Federal Plaza, which is the Federal Building, highly guarded.

Senator HOLLINGS. Good gosh.

Mr. LEWIS. You have to go through a guard to get into the building. So these are some of the facts that make it difficult to operate an effective program.

Senator HOLLINGS. You have got to do better. You folks ought to sit down and work out something. Now that you are paying rent and everything, 14th floor in one place and to get past the guards to get a Federal publication in New York. It is ridiculous.

We will be looking at that budget-wise. We would like you to submit the bookstore statistics for the record, Mr. McCormick.

Mr. MCCORMICK. Yes, sir, we shall.

[The information follows:]

BOOKSTORE STATISTICS

The attached chart shows a breakdown of the primary functions involved in the operation of a bookstore and the man-hours expended in performing each operation in each store. The following is a brief explanation of each column, and its man-hour relationship to the corresponding bookstore listed to the left.

1. Employees — Divided into two parts, showing the "ceiling," or maximum number of employees allotted to each store and the "on board" or number of employees currently staffing each store.

2. Employees on board X 8 hours — The total number of man-hours per day available to operate each store.

3. Counter and/or Cashier Duties — Number of hours per day devoted to actually waiting on customers, performing such activities as research, providing general information, and ringing up sales on the cash register. Primary duty of clerk. Manager and Clerk/Stockman available to assist as necessary.

4. Manning Telephones — Number of hours per day devoted to working with call-in customers, or researching information through Central Office. Some stores, such as New York, may receive 200 or more telephone calls per day. Primary duty of clerk. Manager and Clerk/Stockman are available to assist as necessary.

5. Receiving, Pricing, and Stock Publications — New and replenishment stock are received in cartons via the U.S. Postal Service. This stock must be unpackaged, pricing labels affixed to the outside front cover, and placed on reserve or display shelves. Display shelves are continually restocked each day. Primary duty of Clerk/Stockman. Clerks are to assist during slack periods as necessary.

6. Publication Research and Reorder — Store personnel utilize advanced Select List proofs and advanced notices listing new and reprinted stock to select new items to be carried as stock in their store. They also conduct inventories and reorder stock items as necessary. Single line reorder requests are forwarded to the Central Office for processing. Subject bibliographies, supplied by the Central Office and maintained by store personnel, are available for customers and store personnel use in publication research and identification. For non-stock items, customers are requested to place mail orders with the Central Office. Store personnel will assist customers in the preparation of those orders and provide appropriate order blanks as necessary. Performed by all personnel.

7. Processing Mail Other Than Stock — Mail orders for stock items are filled by and mailed from the stores. Inquiries and orders for non-stock items are forwarded to the Central Office for processing. Primary function of clerk. Manager and Clerk/Stockman will assist as necessary.

8. Reports and Bank Deposits — Daily and weekly financial and activity reports are prepared with copies sent to the Central Office. Daily bank deposit of the previous days receipts are made to the nearest Federal Reserve Bank, in some cases through a local commercial bank. Daily and weekly Time and Attendance reports are prepared with copies of weekly report sent to the Central Office. Primary duty of Manager.

9. Administrative Duties — Management functions and administering GPO policies and procedures. Primary duty of Manager.

10. Publicity — Working with local TV., Radio, and Newspaper media as the need arises. Occasionally, participate through displays or speaking engagements with local organizations such as civic organizations, library meetings, home and garden shows, etc.

11. Sick and Annual Leave — Miscellaneous — Production time either utilized in other duties not specifically covered in the aforementioned categories or lost to sick or annual leave.

12. Number of Customers Served - FY 1974 — This figure represents the number of customers served during Fiscal Year 1974, as taken from the daily cash and charge sales and does not represent telephone calls or walk-in customers that request information not resulting in a sales transaction.

BOOKSTORE STATISTICS
(In Man-hours)

BOOKSTORE	NUMBER OF EMPLOYEES CEILING	NUMBER OF EMPLOYEES ON BD.	NUMBER OF EMPLOYEES ON BOARD x 8 HRS.	COUNTER AND/OR CASHIER DUTIES	MANNING TELEPHONES	RECEIVING, PRICING & STOCKING PUBLIC'NS	PUBLIC'N RESEARCH AND REORDER	PROCESSING MAIL OTHER THAN STOCK	REPORTS & BANK DEPOSITS	ADMIN. DUTIES	PUBLICITY	SICK & ANNUAL LEAVE MISC. DUTIES	NUMBER OF CUSTOMERS SERVED FY - 74
MAIN GPO	19	16	128	40	24	30	N/A	N/A	2	8	N/A	24	85523
COMMERCE	3	3	24	8	3	4	2	N/A	2	1	N/A	4	17404
USIA	2	2	16	7	3	1	1	N/A	1	N/A	N/A	3	32246
STATE	2	2	16	7	2	1	1	N/A	1	1	N/A	3	23316
CHICAGO	5	4	32	12	2	5	1	1	2	2	1	6	37303
KANSAS CITY	4	3	24	5	2	4	2	2	2	2	1	4	21612
SAN FRANCISCO	7	6	48	19	6	7	1	1	2	2	1	9	57405
PENTAGON	4	3	24	12	1	4	1	N/A	1	1	N/A	4	50685
BOSTON	5	5	40	14	4	7	1	2	2	2	1	7	54483
LOS ANGELES	5	4	32	12	2	4	1	2	2	2	1	6	44585
ATLANTA	4	4	32	8	3	4	2	3	2	3	1	6	27317
DALLAS	4	3	24	6	2	4	1	2	2	2	1	4	30403
NEW YORK	5	5	48	8	10	7	1	2	2	2	1	7	45031
DENVER	4	4	32	8	3	4	2	2	2	3	2	6	18423
PUEBLO	2	2	16	2	2	1	2	1	2	1	2	3	4239
BIRMINGHAM	4	3	24	5	2	4	2	2	2	2	1	4	11383
CANTON	2	2	16	2	2	2	2	1	2	1	1	3	5435
DETROIT	4	4	32	8	4	6	2	1	2	2	1	6	19114
PHILADELPHIA	4	4	32	9	4	5	2	1	2	2	1	6	29949
FORRESTAL	3	1	8	3	1	1	1	N/A	1	N/A	N/A	1	16212
CLEVELAND	4	4	32	9	4	5	2	1	2	2	1	6	22893
SEATTLE	4	4	32	9	4	5	2	1	2	2	1	6	15735
MILWAUKEE	4	4	32	9	4	5	2	1	2	2	1	6	10578
JACKSONVILLE	4	3	24	5	2	4	2	1	2	2	2	4	2661

BOOKSTORE VOLUME OF BUSINESS

Senator HOLLINGS. I also want to include the statements in the record as to the location, volume of business, at this particular point.

[The statements follow:]

Statement of Revenue and Expense by Bookstore
July 1, 1973 - June 30, 1974

Bookstore	Number of Employees	Net Sales	Total 1/ Revolving Fund Expenses	Net Sales Less Revolving Fund Expenses	Total 2/ Appropriated Fund Expenses	Net Profit or Loss ( )
GPO	18	$ 1,061,980	$ 873,202	$ 188,778	$ 486,896	($ 298,118)
Commerce	3	116,905	96,124	20,781	64,065	(43,284)
U.S.I.A.	3	229,911	189,042	40,869	88,095	(47,226)
State	2	84,288	69,306	14,982	49,832	(34,850)
Pentagon	5	134,076	110,243	23,833	81,381	(57,548)
Forrestal	2	50,212	41,286	8,926	42,467	(33,541)
Atlanta	5	144,328	118,672	25,656	93,198	(67,542)
Birmingham	4	75,003	61,670	13,333	63,788	(50,455)
Boston	4	226,517	186,251	40,266	129,145	(88,879)
Canton	3	43,783	35,999	7,784	46,144	(38,360)
Chicago	4	189,529	155,839	33,690	98,162	(64,472)
Cleveland	5	81,479	66,995	14,484	71,739	(57,255)
Dallas	5	240,608	197,837	42,771	119,307	(76,536)
Denver	4	111,081	91,335	19,746	85,233	(65,487)
Detroit	5	97,494	80,163	17,331	79,740	(62,409)
Jacksonville	3	15,695	12,905	2,790	31,867	(29,077)
Kansas City	4	114,058	93,783	20,275	74,574	(54,299)
Los Angeles	5	269,980	221,988	47,992	141,176	(93,184)
Milwaukee	3	38,609	31,746	6,863	47,196	(40,333)
New York	6	161,384	132,696	28,688	120,370	(91,682)
Philadelphia	5	101,465	83,429	18,036	77,065	(59,029)
Pueblo	3	38,619	31,754	6,865	40,280	(33,415)
San Francisco	6	320,521	263,545	56,976	163,331	(106,355)
Seattle	4	100,548	82,675	17,873	101,786	(83,913)
Totals	111	$ 4,048,073	$ 3,328,485	$ 719,588	$2,396,837	($ 1,677,249)

1/ Revolving Fund Expenses include Cost of Publications Sold, Unsalable Publications Expense, and Postage Expense.

2/ Total Appropriated Fund Expenses include Salaries and Wages, Rent, Communications, and Utilities, Supplies and Materials, Overhead, and Other Contractual Services.

July 1, 1974 - December 31, 1974

Bookstore	Number of Employees	Net Sales	Total 1/ Revolving Fund Expenses	Net Sales Less Revolving Fund Expenses	Total 2/ Appropriated Fund Expenses	Net Profit or Loss ( )
GPO	16	$ 469,086	$ 312,488	$156,598	$ 295,941	($ 139,343)
Commerce	2	49,798	33,173	16,625	39,554	(22,929)
U.S.I.A.	2	88,764	59,131	29,633	52,844	(23,211)
State	2	37,474	24,965	12,509	30,950	(18,441)
Pentagon	4	56,758	37,810	18,948	55,056	(36,108)
Forrestal	1	21,875	14,572	7,303	24,072	(16,769)
Atlanta	4	47,797	31,840	15,957	54,599	(38,642)
Birmingham	3	29,419	19,598	9,821	37,924	(28,103)
Boston	5	84,978	56,610	28,368	93,553	(65,185)
Canton	2	18,807	12,529	6,278	28,422	(22,144)
Chicago	4	56,833	37,860	18,973	55,805	(36,832)
Cleveland	4	37,149	24,748	12,401	55,897	(43,496)
Dallas	4	89,771	59,802	29,969	74,324	(44,355)
Denver	4	46,553	31,012	15,541	57,715	(42,174)
Detroit	4	37,091	24,709	12,382	55,319	(42,937)
Jacksonville	3	33,556	22,355	11,201	46,928	(35,727)
Kansas City	3	38,965	25,957	13,008	47,518	(34,510)
Los Angeles	4	100,782	67,137	33,645	78,241	(44,596)
Milwaukee	4	26,064	17,362	8,702	49,006	(40,304)
New York	6	72,581	48,351	24,230	91,470	(67,240)
Philadelphia	4	40,526	26,997	13,529	56,563	(43,034)
Pueblo	2	19,447	12,954	6,493	26,285	(19,792)
San Francisco	5	105,014	69,956	35,058	97,181	(62,123)
Seattle	4	59,425	39,587	19,838	105,438	(85,600)
TOTALS	96	$1,668,513	$1,111,503	$557,010	$1,610,605	($1,053,595)

1/ Revolving Fund Expenses include Cost of Publica tions Sold, Unsalable Publications Expense, and Postage Expense.

2/ Total Appropriated Fund Expenses include Salaries and Wages, Rent, Communications, and Utilities, Supplies and Materials, Overhead, and Other Contractual Services. Exclude $42,326 in Engineering Charges and Transfers which cannot be identified to a specific bookstore.

COMMERCIAL DISTRIBUTION

Senator SCHWEIKER. I would like to mention one thing. We also maybe ought to look into whether you could use part of the private distribution network; in other words, just plain selling them through commercial outlets and see what that costs you.

If you wouldn't move more volume that way than setting up our own deals——

Mr. MCCORMICK. I agree 100 percent. As a matter of fact, one of our goals for this year, is to take a look at the basic method of distributing through the bookstore chains because it may very well be that something like a chain or publishing house could handle this much more effectively.

Senator HOLLINGS. The bookstores buy in volume. They consider the size of the community and I think they would vie to be able to have the Government publications in their bookstore.

They would make room for it. The only thing is it would be done on an objective sort of nonpartisan basis.

Mr. DEVAUGHN. They have stated in the past that they could not make money on the 25-percent discount that the law authorizes. What they do buy is highly selective. They will buy only those publications which they believe to be big sellers.

Senator HOLLINGS. You have to take the bad with the good, make a deal.

Mr. DEVAUGHN. Yes, sir, but we are limited by statute as to the deal we can make.

Senator HOLLINGS. You tell us about those things. That is what we can correct.

Senator SCHWEIKER. We can help out on that, sure.

Mr. DEVAUGHN. Good. Then a change to the statute will be part of our consideration of this matter.

DOCUMENTS BACKLOG

Senator HOLLINGS. The committee has been monitoring the weekly summary workload reports issued by the Superintendent of Documents. I notice that since the first of the year the number of orders on hand has steadily risen from 132,000 on January 3 to 204,000 on March 21, and by April 11 you had a backlog of 153,761.

More significantly, over a 21-day cycle, the number of orders has jumped from 10,882 to 28,700 on April 11. Does that mean we are going to accumulate these heavy backlogs that I thought were behind us and, if so, what are we doing about it? You could soon be like the Navy, 90 days behind.

Mr. MCCORMICK. Not quite 90 days because we do get somewhere in the neighborhood of 15,000 orders per working day. So a 10-day backlog is 150,000 approximately. However, we have experienced an increase, as you indicate, for the past several months because of a couple of things. First, we have moved the new facilities. We are moving the new warehousing facilities and new office facilities for the order processing people, for the administrative people which has caused us to be unable to process the number of orders that we have expected.

In addition to that, we have experienced a large influx of orders. The average has increased approximately 20 percent in the last several weeks. As far as the increase in the over 21-workday items, one specific publication accounts for much of this increase.

Mr. LEWIS. The publication is in the process of being revised. This has accounted for a great number of new orders that we received. We notified the public that the new publication was ready. They are now ordering.

We received as many as 7,000 orders in one day on this publication alone.

Mr. MCCORMICK. Those are the ones that we have been holding for the revised version which has resulted in increasing that over the 21-day count.

Mr. LEWIS. The publication is due this week or early next week.

Mr. MCCORMICK. Off the presses this week. We should be getting that.

Senator HOLLINGS. So you can catch up immediately.

Mr. MCCORMICK. The bulk of the items that are contained in that over 21 days are the orders for this publication, approximately 75 percent.

SUBSIDIZATION OF CONGRESSIONAL RECORD

Senator HOLLINGS. What about the pricing of documents? We have got the Federal Register, you say is subsidized. The question is should it be? You put that in the same category as the Congressional Record?

Mr. MCCORMICK. Yes, sir. They are subsidized. For example, take the Congressional Record. It costs $25 to mail, $57 to print, approximately $100 and some odd dollars for the distribution costs, and so forth.

So we feel we are incurring almost $195 cost annually for each subscription of the Record. The selling price is $45.

Senator HOLLINGS. That is the Congressional Record?

Mr. MCCORMICK. Yes, sir.

Senator SCHWEIKER. Repeat those figures again?

Mr. MCCORMICK. The annual subscription is $45. The postage is—I will give you rounded dollars—$25. Printing and binding is $57. The distribution, handling, mailing list, maintenance is $113 for a total of $195.

Senator SCHWEIKER. We are charging $45?

Mr. MCCORMICK. Yes, sir.

SUBSIDIZED PUBLICATIONS

Senator SCHWEIKER. How many documents are we subsidizing? What are those in that special category list?

Mr. MCCORMICK. The Congressional Record specifically, and the Federal Register program, we call it—it includes only selected publications of the program which would be the Federal Register itself, the U.S. Government Manual, the Presidential Papers, and the Weekly Compilation of Presidential Documents.

Senator SCHWEIKER. What does that mean?

Mr. MCCORMICK. They are compiled by the Federal Register staff. The Weekly publication contains, the Public Papers of the President.

Senator SCHWEIKER. We are subsidizing the public papers or are we subsidizing the listing of these papers? What are the cost figures for that?

Mr. MCCORMICK. We are subsidizing the Public Papers, but I don't have cost information readily available.

Senator HOLLINGS. I would like to have it. Go ahead.

Mr. MCCORMICK. Then there are indexes to the Federal Register and the Code of Federal Regulations.

Senator SCHWEIKER. That is six?

Mr. MCCORMICK. The Record, the Congressional Directory, the Federal Register, which includes the Daily Register, the Public Papers of the President, the Government Manual and others.

CONGRESSIONAL DIRECTORY COSTS

Senator SCHWEIKER. The Congressional Directory, do you have your figures there as to what that costs?

Mr. MCCORMICK. No, sir.

Senator SCHWEIKER. Would you supply it for all of these?

Mr. MCCORMICK. Yes; the Directory is an individual publication.

[The information follows:]

SPECIAL SALES BY CATEGORY OF PUBLICATION

	No. of Units	Total Copies	Printing & Binding		Postage		Handling		Total Costs		Revenue		Profit/ (Loss)
			Unit	Total	Unit	Total	Unit	Total	Unit	Total	Unit	Total	
Congressional Record													
Subscription	4,566	749,113	$56.69	$258,847	$24.45	$111,639	$113.38	$517,693	$194.52	$888,179	$45.00	$205,470	$(682,709)
Single Copy	45,600	43,251	.26	11,856	.30	13,680	.52	23,712	1.08	49,248	.25	11,400	(37,848)
Congressional Record Index													
Subscription	4,566	83,952	2.95	13,483	---	---	5.90	26,966	8.85	40,449	---	---	(40,449)
Single Copy	4,847	4,847	.1606	778	.30	1,454	.3212	1,557	.7818	3,789	.25	1,212	(2,577)
Federal Register													
Subscription	29,374	7,798,019	54.88	---	29.45	865,065	109.76	3,224,090	139.21	4,089,155	45.00	1,321,830	(2,767,325)
Single Copy	225,000	225,000	.57	127,500	.30	67,500	1.13	255,000	2.00	450,000	.75	168,750	(281,250)
Weekly Compilation of Presidential Documents													
Subscription	2,249	117,397	8.67	19,499	16.80	37,783	17.34	38,998	42.81	96,280	15.00	33,735	(62,545)
Single Copy	22,185	22,185	.1606	3,563	.30	6,656	.3212	7,125	.7818	17,344	.50	11,093	(6,251)
Code of Federal Regulations													
Subscription	1,649	199,529	136.1734	224,550	53.20	87,727	272.35	449,179	461.7202	761,456	350.00	577,150	(184,306)
List of CFR's Affected													
Subscription	569	6,828	4.05	2,304	3.60	2,048	8.10	4,609	15.75	8,961	10.00	5,690	(3,271)
Single Copy	360	360	.337	121	.30	108	.674	243	1.311	472	.85	306	(166)
*Other Publications	33,094	33,094	1.36	45,007	4,92	132,958	2,72	90,015	8.10	267,980	3.00	99,283	(168,697)
TOTAL				$707,508		$1,326,618		$4,639,187		$6,673,313		$2,435,919	$(4,237,394)

*Other Publications include documents that are not priced under Section 1708 of Title 44 of U.S. Code.

U.S. GOVERNMENT MANUAL

Senator HOLLINGS. Does that include the U.S. Government Manual?

Mr. MCCORMICK. That is a part of the Federal Register Program. That is priced pretty close; it will not be much of a subsidy, we think it is just a slight underpricing of that.

REVENUES VERSUS COSTS OF SUBSIDIZED PUBLICATIONS

Senator SCHWEIKER. How much is the subsidy program costing us in total? What are we paying?

Mr. MCCORMICK. We have tried to pull this out so we could in effect show the Appropriations Committee what it is for those publications where we feel we don't have control of the price.

Our estimate is we will be subsidizing approximately $4.2 million in fiscal year 1976. In other words, we will have revenues for these publications of $2.4 million and costs associated with them of $6.6 million.

Senator HOLLINGS. Do you have a recommendation to the committee? Do you think you are doing what should be done or what would you recommend to the committee?

You say you have no controls. Suppose you controlled it. What would you do other than just bring it right on up to the total cost?

Mr. MCCORMICK. I don't think I have the capability of determining whether or not the Federal Register, for example, should be subsidized.

We are requiring businesses to conform to the rules and regulations, and I don't think I am ready to make a recommendation on whether or not they should pay the full amount of the annual cost to get the information that they need to run their businesses.

DESTRUCTION OF DOCUMENTS

Senator HOLLINGS. We read an article that terms the GPO "A Very Odd Publishing House." The article indicates that 15 trailer loads of documents were destroyed last year and 80 trailer loads were dumped in January. That article was on March 22. They also thought that documents should be sold at a discount or given away rather than dumped.

Are you familiar with that article? What is your comment, Mr. McCormick?

Mr. MCCORMICK. Yes, sir. I have read it several times. It was inserted in the Congressional Record.

Senator HOLLINGS. Did they send you a subsidized copy of the Congressional Record?

Mr. MCCORMICK. It appears in the Congressional Record. We have been asked to provide a detailed reply to that. I would like the opportunity to submit some information for the record.

Senator HOLLINGS. When? In 90 days?

Mr. MCCORMICK. No, sir. We will get it to you within 3 or 4 days with the transcript.

Senator HOLLINGS. All right. You can insert that in the record.

[The statement follows:]

COMMENTS ON "A VERY ODD PUBLISHING HOUSE"

As is so often the case, the other fellows' problems are straight forward and easy of solution (particularly if the "other fellow" happens to be a Government agency) and the "law" is always clear and unambiguous to the nonlawyer. And, so it should be. If everyone were knowledgeable enough to be able to fully understand the operations and problems of the "other fellow" our civilization would still be at the stage of development which made possible the Renaissance Man of the 15th century. This is not to imply that valuable insight and advice cannot be forthcoming from those outside our field; for, as we all know, we can also be so close to a problem that we fail to see the forest for the trees. I think that perhaps a little of both is present in Frank Warner's article.

The destruction of 2 million pounds of books is enough to catch anyone's eye and provides just cause on its face to ask why. I wish that there was a single simple answer to this question. I wish that I could state that to do otherwise would clearly violate the provisions of some law and that the problem could be quickly solved by a legislative amendment. (As a matter of fact, there *is* a serious legal issue present, but even if this were resolved the problem would still be present.) The real problem, however, is a multifaceted one involving law, economics, and logistics.

It is somewhat ironic that the Government Printing Office should be called to task for the destruction of excess publications on the basis that the destruction deprives the public of the information contained in those publications when, in fact, we got ourselves into the excess inventory position primarily because we leaned over too far to assure that sufficient publications would be on hand to meet the needs of the public. Nevertheless, the issue has been raised and must be answered.

By far, Government publications are technical documents which have appeal to a limited market. By the time we destroy excess copies of the "Daily Statement of the U.S. Treasury" we can state with some degree of assurance that the limited market for this publication has been saturated. The same would be true of the "Airman's Information Manual", the "Postal Service Manual", "Your Federal Income Tax", and other publications which are only destroyed when superseded by new issues. Everyone who was interested in these publications certainly would have acquired a copy before they became obsolete. Most of the publications destroyed fall into the above categories.

For example, the Government Printing Office disposed of 27,629 copies of the "Postal Service Manual" superseded by a new edition; 74,730 copies of "Airman's Information Manual" superseded by a new issue, and 90,290 copies of "Federal Aviation Regulations, Volume 6," when the subscription was discontinued. The unsold copies of other publications, such as daily, weekly, and monthly periodicals, are as worthless as yesterday's newspaper. The "Daily Statement of the U.S. Treasury" and "Commerce Business Daily" are examples of two publications that are held only for a limited time and then dropped from the GPO inventory to provide storage space for newer editions.

Any publication deemed to have potential continuing value is offered to the publishing agency before it is dropped from the GPO inventory. Examples of such publications are offered to and accepted by the publishing agencies are: "NBS Technical Note 537"; "1970 Census of Population, Vol. 1"; "Characteristics of the Population, Part 20, Louisiana," and "NBS Miscellaneous Publication 240, List of Publications of the NBS, July 1, 1957, to June 30, 1960."

Relatively few of the publications destroyed could be classified as having a basically "across-the-board" interest. Even so, notwithstanding the hue and cry heard from time to time regarding the price of Government publications, they are still a tremendous bargain and, with few exceptions, well within the reach of any interested buyer. In addition, copies are available in most libraries and especially in Depository Libraries which receive free copies of Government publications under the Depository Library Program.

Nevertheless, before we destroy any publication, we have established that (1) there is no longer any market for them at their current price (we do not destroy publications on which we are still receiving orders) and (2) the Federal agency which originated the publication has confirmed our conclusion that it is no longer necessary to store the publications. We believe the originating agency is in the best position to know who would want the publication and when they advise us that they don't want the publications sent to them for future use nor do they know of anyone else who might want them, we feel reasonably sure that we are on safe grounds in destroying them.

While I cannot cite any specific examples, I am sure that in an operation of this size there have been some mistakes made. I feel sure that some useful publications have been destroyed inadvertently. However, I feel equally sure that the error rate

on destructions is extremely inmaterial and, considering the rate at which new publications are printed, the need for space in which to store these new publications, and the cost of storage and handling, we must keep our inventories moving. We must sell, transfer, or destroy.

The price at which publications are sold covers these costs and when publications are sold for scrap (destroyed) two important things happen. First, the publications are bulk shipped and we do not incur the "sellings" costs associated with (1) moving stock to forward areas, (2) opening mail, (3) order processing, (4) mailing and postage costs, etc. Second, we receive payment based on the scrap value of the publications which offsets, in part, the printing, binding and bulk storage costs incurred.

If we were to give the publications away in bulk to large establishments, such as, State school systems, or other similar types of large nonprofit institutions, we would lose the scrap value revenue and possibly incur additional expenses for packing and shipping. However, these costs could well be within a reasonable range and we plan to followup on this in the very near future.

Attempting to give individual publications away one-by-one to private individuals is, in my opinion, economically unfeasible. Not only would we lose the scrap value revenue, but we would also incur all of the "selling" costs outlined above. In addition, such a process would undermine the sales program by (1) selling to some citizen at full price and giving the publications away to others and (2) unfairly compete with bookstores who purchased Government publications at the 25 percent discount and must sell them if they are not to lose money by dealing with the Government.

As to the fact that many publications are already being given away free by the issuing agencies, and, in some cases, the Congress, I can only speculate that the interest of the Government is best served by the fact that these particular individuals receive these particular Government publications.

However, in addition to studying the feasibility of giving Government publications away in bulk to large nonprofit institutions, we will also study the feasibility of *not* offering for sale such Government publications as "Infant Care" and others which are printed primarily for the purpose of being given away and the number designated as "give aways" far exceeds those which are designated to be sold.

Subsequent to our hearing, and the preparation of the above comments, I received a copy of a letter dated April 28, 1975, concerning "A Very Odd Publishing House" from Mr. Curtis C. Benjamin, former President and Chairman McGraw-Hill Book Company to the Editor, Letters to the Editor, The Nation. Mr. Benjamin states, in part, that "Mr. Warner's distress over the destruction of 2 million pounds of books worth about $1.2 million is to be admired, but his knowledge of the practical economics of selling books must be faulted. Actually, the Public Printer was acting in the public interest in ordering his large overstocks * * *." I attach a copy of this letter for the record.

LETTER FROM CURTIS G. BENJAMIN

April 28, 1975

Editor, Letters to the Editor
The Nation
333 Avenue of the Americas
New York, N.Y. 10014

Dear Sir:

As a long-time observer of the operations of the Government Printing Office, I read with much interest the article by Frank Warner entitled "A Very Odd Publishing House." (Your March 22 issue.) Mr. Warner's distress over the destruction of "2 million pounds of books worth about $1.2 million" is to be admired, but his knowledge of the practical economics of selling books must be faulted. Actually, the Public Printer was acting in the public interest in ordering his large overstocks "sold for destruction," meaning for scrap paper to be recycled. To try to sell these overstocks to the public at "discounted" prices would certainly be throwing good money after bad. Perhaps as much as ten percent might have been sold by forced promotion, but the selling cost would have been about two or three dollars for every dollar of sales income.

Why this odd result? Simply because most government publications are on highly specialized subjects, hence their markets are very limited and their promotion in such markets is very costly. One must assume that all the overstocked publications were produced to fill a specific government need, but it should not be assumed that they would be widely needed and bought by the general public. Apparently most of them

should not have been printed in quantity to begin with. Mr. Warner provides a good case in point by referring to the title Planning, Regulation, and Competition, which he describes as "an important 1,091-page case study of competition in the auto industry to be sold for $4.75 a copy." Less than 700 copies were sold at this low price in four years. How many more customers would buy at a marked-down price of $2.85? Probably they could be counted on the fingers of two hands. Thus it was right that the overstock of 2,300 copies should be sold for its recycled pulp value. Certainly this is better than having it lie moldering in a government warehouse at the taxpayers' expense.

What Mr. Warner overlooks is that government publications are made available to the public at a scattering of GPO bookstores, at more than 1200 deposit libraries around the country, and through the extensive distribution facilities of the National Technical Information Service at the Department of Commerce. All titles are under systematic bibliographic control at all these places, so they are readily accessible to special-interest readers and researchers. Therefore there is little reason for individuals to purchase copies for home libraries.

Mr. Warner laments the recently imposed higher scale of prices of GPO publications but fails to report that the increase was caused not so much by higher printing costs as by a new government policy which mandates a realistic recovery of costs of all products and services sold to the public. Most people have taken this to be a wise reform. Why should the government

sell books or anything else to public consumers at prices that are below actual production and vending costs?

Mr. Warner takes the opposite view and argues that the "uninformed minority" who pay even minimal prices for GPO publications are being abused by an informed majority who know where to get them free. From this complaint he advances to the suggestion that perhaps all government books and pamphlets should be free. This change would make the GPO a very odd publishing house, indeed. And surely it would abuse the very large majority of U.S. taxpayers who neither need nor want 95% of the government documents that are printed at the GPO each year.

Sincerely yours,

Curtis B. Benjamin

Senator HOLLINGS. What can you tell us now about this?

Mr. MCCORMICK. I would like to make some observations. I think there are several things that we have considered. I think that economics will have to be one of the principal points of this.

There is some merit to the content of that article. Generally, we have to destroy a lot of publications. For example, a lot of the data is obsolete. Who wants last year's Federal Register, for example? The Postal Service Manual, which is updated constantly.

Senator HOLLINGS. You don't recycle?

Mr. MCCORMICK. Oh, yes, sir. We sell these publications for scrap. But the gist of that article was that they were not being offered to people who would want to buy them. We have offered these publications for sale. They have subsequently not sold or been superseded by a new publication.

That is most of what we destroy and we need the space, the warehouse space in order to operate effectively. We just can't keep them forever. So we have tried a couple of experiments to make these available. We are going to give consideration to some other possibilities making sure that we are not wasting them.

We do go back to the issuing agency when we are about to destroy a publication because we feel that they should be in the best position to know who would want it.

When they say they don't want it, that as far as they are concerned, we can scrap it, then we do.

RESTOCKING PROCEDURES

Senator HOLLINGS. Last year the General Accounting Office found that 971 document bins were empty even though warehouse stock was available.

Have you got standardized procedures, Mr. McCormick, for restocking?

Mr. MCCORMICK. Yes, sir. One of our basic problems with the Documents operation, of course, has been our inability to get material out of our bulk warehouses and into our forward area where we are processing the orders.

This is one of the things that our new computerized program is going to do for us. It will tell us when we need it, where it is, and get our restocking taken care of rapidly and effectively. The system is going on the line right now. We think we have generally followed the GAO recommendations in that regard.

WALL CALENDARS

Senator SCHWEIKER. On calendars, you report on page 27, $140,731 for House calendars, and $8,775 for Senate calendars. Is this a different calendar from the one that the historical group here in Congress is printing?

Mr. MERCER. It is different.

Senator SCHWEIKER. This is the one we have had for some years, as I recall. Is that right?

Mr. MERCER. Yes.

Senator SCHWEIKER. Am I wrong?

Mr. BOYLE. The one you are referring to is the Historical Calendar.

Senator SCHWEIKER. I am trying to find out now what I am referring to, and Mr. Chairman before we confuse the readers of this record, could we place page 27 of this justification in the record?

Senator HOLLINGS. Certainly, the page will be inserted at this point.

[The page follows:]

1975 AND 1976 WALL CALENDARS ORDERED FROM GOVERNMENT PRINTING OFFICE

Ordered by	Requisition No.	Requisition Date	Number of calendars Large	Small	Total	Cost
Clerk's Office, House of Representatives	4163	Aug. 2, 1974	190,100	.....	190,100	$140,731
Secretary of the Senate	1714	Oct. 1, 1974	9,500	1,200	10,700	8,775
Total ordered by House and Senate			199,600	1,200	200,800	$149,506

Large House calendars, size 12¼ x 18, covers 2 years 1975 and 1976, are printed with numerals in 2-colors mounted on board, lined with blue paper, and have an illustration showing 4-color panoramic view of Capitol.

Large Senate calendars, size 9 13/16 x 15, covers 1 year 1975, are printed with single-color numerals, mounted on board, lined with blue paper, and have an illustration showing Senate wing of Capitol.

Small Senate calendars, size 9¼ x 10, covers 1 year 1975, consist of the calendar portion only, stitched to board.

There are no resources in the fiscal year 1976 budget estimate for House calendars.

Mr. BOYLE. There is the Senate Calendar, and there is a separate historical calendar that is sold by the U.S. Capitol Historical Society.

Mr. MCCORMICK. The one we are talking about, has an illustration of the Capitol with the actual monthly calendar mounted on it. That is the House Calendar. The Senate Calendar is a smaller calendar with a picture of the Capitol.

Senator SCHWEIKER. Do I read this right that you print 190,000 for the House? Don't they get, as I recall under Fred Schwengel's program, some 2,000 calendars apiece, the multi-colored variety. That is 2,000 times 400. If I am right, I may be wrong, they get 900,000 calendars under the Schwengel program of 2,000 per Congressman.

Here is another 190,000. Is there any reason we have two separate calendar programs going on here? I am not against calendars. I like calendars, too. I am wondering whether it is productive to run two competing calendar programs. How much do these calendars cost apiece?

Mr. MCCORMICK. I think you have to divide it out. I will point out that the House Calendar is a 2-year calendar. It is less than $1. I think it is $140,000 for the 190,000.

Mr. BOYLE. You want to know what the price is on the historical calendar, do you not?

Senator SCHWEIKER. I understood it was around 35 or 40 cents. They have a, as I recall, each page has a different colored print which I don't think is the case here.

Mr. BOYLE. That is right.

Senator SCHWEIKER. That is not printed by you folks?

Mr. BOYLE. No, sir.

Mr. MCCORMICK. In response to your question about whether or not we should have two, the orders come to us from the Clerk of the House or the Secretary of the Senate. We print what authorized people requisition from us.

Senator SCHWEIKER. I realize that.

What is the difference between the large Senate Calendar and the small Senate Calendar? I didn't know we had two sizes.

Mr. McCORMICK. Mr. Boyle, I hope you can answer that.

Mr. BOYLE. Large Senate Calendars cover 1 year. The small Senate Calendars are 9¼ by 10 inches. They, too, cover 1 year. They consist of the calendar portion only. There are two different size Senate Calendars.

Senator SCHWEIKER. The smaller one doesn't have a picture of the Capitol.

Mr. BOYLE. The smaller one doesn't have a picture of the Capitol; it is just a calendar mounted on board.

Senator SCHWEIKER. I realize it is set policy on this. I am just trying to bring out the facts. That is all. I wondered why we had four different calendars being printed around the Capitol. We have enough to do.

That is all I have, Mr. Chairman.

Senator HOLLINGS. Mr. McCormick, I have received a letter from Mr. Walter R. Howell, who is apparently a consultant in Falls Church, Va. The staff of the subcommittee has already investigated for me the matters in an earlier letter from Mr. Howell. Since, Senator Gravel is now ready to testify on his proposal, I will not go into this letter with you now, but I would appreciate your answering the various points that Mr. Howell raises in this letter. I will insert Mr. Howell's letter in the record at this point and ask you to supply your answers immediately following.

Mr. McCORMICK. I would welcome the opportunity to answer Mr. Howell in the record, Mr. Chairman.

[The letter and comments follow:]

51-060 O - 75 - pt. 2 - 23

WALTER R. HOWELL, P.O. BOX 4933, FALLS CHURCH, VA. 22044

April 14, 1975

Honorable Ernest F. Hollings
Room 437
Russell (SOB) Building
Washington, D.C. 20510

Dear Senator Hollings:

On February 18, 1975 I sent to you a copy of a letter which I had addressed to Senator Howard Cannon along with certain other material relating to the Government Printing Office.

I was interested to discover that Senator Cannon had turned my letter over to the staff of the Joint Committee on Printing, who framed a reply for the Senator's signature. I sincerely hope and trust that you will not do the same, or for that matter will not refer the enclosed to Senator Cannon or members of his committee.

As a result of digging into GPO operations and management for 2½ years, it has become apparent that the staff of the JCP is too closely tied to the responsibility for the conditions in the GPO to have accurately objective opinions and recommendations regarding the GPO. The staff has all too often soft pedaled or ignored the evidence provided to it from time to time.

I have recently reviewed the 1974 transcripts of the hearings before your subcommittee on Legislative Branch Appropriations and of Congressman Bob Casey's House subcommittee.

As a result, I have composed an opuscule which is composed of evidential data and personal observations for your consideration. I feel that it deserves your serious thought.

Further, I will be glad to discuss the GPO with you personally and amplify the information enclosed. In any event, I would appreciate your comments on this material.

My thanks for your kind consideration,

Sincerely Yours,

Walter R. Howell

Walter R. Howell

PREFACE

The exhibits and observations contained herein indicate that there are profound difficulties in the Government Printing Office.

The information is presented in a non-sequential manner; i.e., each item is treated unto itself with no effort to link them into a pattern.

The material has been derived from 1974 hearings. It represents an attempt to persuade concerned members of congress that there are much deeper troubles within the Government Printing Office than is generally understood.

Only a deep reflective audit of operations and management, and personal, private interrogations of Government Printing Office employees will prove or disprove the surface implications that the agency is in a critical if not terminal state.

MORALE

According to the transcripts of hearings before the House Subcommittee on Legislative Branch Appropriations on March 1, 1974 concerning the Government Printing Office, Representative Bob Casey, Chairman, asked Mr. Thomas F. McCormick, the Public Printer, "How is the morale of the people who are there (i.e., the GPO) now?" Mr. McCormick answered, "I think it's good in comparison. It can always be better. I think it is improving significantly." (P. 361 of the transcript)

Again, Mr. Casey asked, "How is your Equal Employment Opportunity program operating now? Have you had any formal hearings or complaints or have the charges been

handled otherwise?" Mr. McCormick responded, "We have had a number of EEO complaints processed. I think we had two in the past 2 years that have gone to formal hearings. Overall, I think we are really getting the program moving well at this point in time."(P. 362 of the transcript)

"Minority Viewpoint" (Exhibit I) is produced by employees of the GPO. Obviously, the people most affected by the EEO program disagree with Mr. McCormick. In addition, it should be noted that Mr. McCormick neglected to mention that there are several civil suits against himself and the GPO by people who evidently received no consideration from the EEO set up.

I might add that if the opportunity is provided I will present for private questioning middle management white employees, who will testify to intimidation and discrimination practiced in the GPO. They will forcefully prove that the Public Printer did not present the true facts to Mr. Casey's committee regarding morale.

ORDERS AND BACKLOGS

On April 9, 1974, at the Senate Subcommittee on Legislative Branch Appropriations' hearings on the Government Printing Office, a "Statement Supporting 1975 Estimate for Salaries and Expenses, Office of the Superintendent of Documents," was entered for the record. (P. 91 of the transcript) In that statement was the claim, "In the past year our backlog has been reduced from 400,000 orders to about 60,000."

During the hearing Mr. McCormick, the Public Printer, stated, "Our back orders were in excess of 400,000 at the beginning of 1973. At the end of March 1974 they were

down to 77,000. When you consider we average about 12,000 to 15,000 orders a day, we only have a couple of days backlog." (P.111 of the transcript)

Later, Mr. McCormick said, "Your letter is opened. The system is manual. We have 80,000 orders at the present time. We cannot manually keep track of each of them. We get 15,000 or 16,000 orders on the average everyday." Senator Hollings repeated, "That was 15,000 to 16,000 per day?" Mr. McCormick, "Yes." (P.115of the transcript)

Included in the record of the 1974 hearings of Representative Bob Casey's committee is a letter to Mr. Earl C. Silsby, Staff Assistant to Legislative Branch committee on Appropriations. Mr. McCormick wrote at one point, "We receive from 10,000 to 40,000 letters and orders each day." (P.414b of the transcript)

Does Mr. McCormick mean 12,000 to 15,000 per day for an average of 13,500 or does he mean 15,000 to 16,000 orders per day for an average of 15,500? A considerable difference! Or does he really know?

The Public Printer referred also to 10,000 to 40,000 orders AND LETTERS per day. Is he saying one third of the total are orders and the balance is what? Complaints? Requests for information? Daily business mail? A combination? Ten thousand to forty thousand is a very broad estimate for an agency that, if operating properly, has the responsibility to clock in and identify each piece of mail accurately. It is inexcusable not to have <u>exact</u> figures.

Let us accept Mr. McCormick's assertion that in January 1973 that the order backlog was 400,000 and accept, too, the lower average figure of 13,500 orders received per day.

Mr. McCormick has claimed also to have cut back Saturday work and extra hours in the evening "considerably." (P.373 of the transcript of the House Appropriations' hearings) We will include that time presumably eliminated.

I believe that Mr. McCormick has a distorted picture of the situation. In the first place, operating manually, it is physically impossible, under the GPO system of materials handling, to find, pick, package and label 13,500 orders per day.

For instance, federal employees get at least eight holidays a year over and above vacation time. Assuming a six day work week, which Mr. Mc Cormick hinted had been mostly eliminated, two shifts on five days, one shift Saturday, that will leave 52 Sundays when no work is performed.

Mail arrives on the basis of 365 days a year, doubling up after weekends and holidays. Thus, with sixty non-productive days built into the system, an automatic backlog of 810,000 is established at once. This fact also automatically "ups" the daily production, necessary just to break even, from 13,500 orders per day to 16,165 pieces per day.

To have cut down the 400,000 order backlog existing in January 1973, while keeping even with incoming orders, the GPO would have had to handle 17,475 orders per working day.

Despite Mr. McCormick's claims, the GPO cannot get out over 17,000, manually, per day under the best conditions, and conditions at the GPO are hardly good in

this area. If you take his 15,000 figure it simply makes his claim more unacceptable.

If Mr. McCormick is sloughing off orders to the Philadelphia Naval Distribution Center, which incidentally, has been done and is being done. (Exhibit II) It appears that the testimony is being warped to present a brighter picture. At the same time transferring orders to Philadelphia means moving stock, an act which increases costs enormously. No wonder the Public Printer needs extra working capital.

One is forced to conclude that far from decreasing order backlogs order back-ups must have increased. Under the circumstances, the only way the GPO could have cancelled out a 400,000 order backlog was to have disposed of the orders or created a backlog of orders elsewhere.

PRICE INCREASES

In 1974 Mr. McCormick gave to the Senate Subcommittee on Legislative Branch Appropriations postal increases as a primary reason for the exorbitant price increases of government publications. He testified, "In 1968 or 1969 our total postage bill was $3 to $3.5 million. It is now running $15 to $18 million. That is the effect of the increase. A private publisher has had the opportunity to phase these increases in over 5 years, and I understand there is legislation pending to give them a 10-year phase-in." (P.123 of the transcript)

In this regard, Mr. McCormick neglected to mention that the volume of GPO sales was more than quadrupled from 1968 to 1974. Thus, obviously, the total postage bill increased proportionately.

Although Mr. McCormick avers that postal increases had a major impact on his pricing structure during 1973-74, his total postage bill was influenced much more profoundly by volume than the net effect of the postal increase. Volume, in turn, should have been able to offset a good degree the percentage of the increase in postal rates.

Additionally, Mr. McCormick increased significantly the amount of printing given to private contractors, a move, which,of course, would create a tremendous force to drive his prices upward and increase his operating costs.

My marketing experience and instinct has created the suspicion that the request for a $12 million increase for 1974-75 resulted not so much from a need to cover expanding operations as to cover operating deficits. A good guess would be that Mr. McCormick will come in for another increase for his revolving fund for fiscal 1975-76 - probably around $18 million over $1974-75.

DESTRUCTION OF DOCUMENTS

Whether the Chairman of the Senate Subcommittee on Legislative Branch Appropriations, his colleagues on the committee or his Staff are aware of the systematic destruction of government publications carried out by the order of executive management of the Government Printing Office is not known.

This particular executive action has not arisen before either the Senate or House Subcommittees on Legislative Appropriations, unless it cropped up during the House hearings in March of this year. (transcript of those hearings are not available as this is written) The fact is

that the destruction of government publications is carried out methodically and illogically.

In a memorandum (Exhibit III), dated June 7, 1974 from Earl G. Clement to the Public Printer, Mr. Clement discloses, "Disposal Program - Fifteen trailer loads (over 300 pallets) of publications for disposal were loaded out of warehouses in four days this week. This more than doubles disposal for any previous week. With this space gained, new items can now be permanently stored on arrival rather than temporarily staged first."

Then, on September 13, 1974, at Pueblo, Colorado, written instructions were given to destroy or dump current publications numbering approximately 32,381, with an estimated value of $33,280.45. This information was gain- from "PDDC (Pueblo) Statistical Supply Report, "C" List, 13 September 1974.

Although this report along with another report dated 11 October 1974 are not exhibited here, these reports are available for inspection.

Further, according to minutes (Exhibit IV) of a GPO Staff meeting held January 3, 1975, "Laurel Warehouse has 80 trailer loads (1600 pallets) to be dumped. Mostly material which came out of 1111 and should have been dumped months ago and definitely before being sent to Laurel."

Mr. McCormick evidentally condones this destruction as part of overall policy, which would aid considerably in covering up the complete lack of inventory controls and handling procedures. (Exhibit V)

Yet, this wanton destruction of fundamentally taxpayers' property is incredible and must reflect heavily

in the operating losses of the GPO, although the income from dumping these booksat $20.00 to $30.00 per ton will appear on the ledger as an asset.

Unquestionably, such decisions indicate slovenly management. It is natural to wonder whether the Office of the Superintendent of Documents is in violation of Title 44, which instructs to print,distribute and sell government publications for the public knowledge and benefit. Is it possible that by the destruction of government publications that the management of the GPO violates the spirit of the Freedom of Information Act? A case might be able to be established.

SUMMARY

In the presentations last year by the Government Printing Office to the Senate and House Subcommittees on Legislative Branch Appropriations it becomes evident that from the preceding exhibits and observations that the management did respond to these committees with complete integrity.

For instance, a) morale is not good. It is bad. b) It is highly questionable that large order backlogs do not exist or are minimal. c) It seems apparent that irresponsible price increases have resulted more from bad management and an inability to establish valid cost-price ratios and exert inventory controls throughout the system than from inflationary conditions. d) There are various problems in financial management.

The arbitrary disposal of government publications is not only expensive but also emphasizes lack of sound management judgement.

The solutions to the GPO problems are neither difficult nor complicated. The basic problem is time - time required to restore the confidence of the employees in the management - time to revivify morale - time to rebuild the agency into a viable productive force.

The longer current conditions are permitted to roll along unchecked the longer it will take to repair the damage (and unnecessarily drive up expenditures) already inflicted upon the GPO by incompetent and unresponsive management.

In turn, these difficulties have a direct bearing on the dissemination of information to the general public, which is entitled to expect corrective legislative and executive action.

[NOTE: The exhibits were received and are being held in the subcommittee files.]

Response To Allegations Contained In
Mr. Walter R. Howell's Letter
Dated April 14, 1975 To The
Honorable Ernest F. Hollings

Before responding specifically to the allegations made by Mr. Howell, I would like to present some background data.

For more than two years I have been receiving, directly and indirectly, allegations of mismanagement and inefficiency at the Government Printing Office. Most of these allegations appear to stem from statements by Mr. Walter R. Howell, a consultant from Falls Church, Virginia who was unsuccessful in obtaining a contract with GPO. Presumably, Mr. Howell has received much of his information from one or more disgruntled GPO employees, among them Mr. George J. McFarlane, who is employed as a Documents Sales Specialist.

Prior to my appointment, Mr. Howell sent me a lengthy letter dated February 15, 1973 in which he cited what he believed to be serious problems at the Government Printing Office. Following are some of the allegations or statements made in that letter.

1. The ailing GPO if not in a terminal condition, is at best in a critical state.

2. He was virtually certain that I did not realize the appalling conditions and morale malaise within the Agency.

3. Stated his material offered a serious indictment of the entire top executive echelon of GPO and protrayed incredible management ineptitude and insensitivity.

4. The problems are accentuated by the rising number of complaints reaching the Agency directly from the public and those indirectly forwarded through Congressional channels.

5. It is evident that the Joint Committee on Printing is unaware of the situation, indifferent to the crisis or has ignored existing conditions. The Staff operating in the Committee's stead is apparently unable or unwilling to cope with the problem.

6. It is estimated that a backlog of approximately 400,000 mail order requests exists and is increasing daily.

7. Along with the multiplying backlog of mail orders a complete lack of inventory control has presented itself. Unless figures are "rigged" the actual dollar value of inventory is unknown.

8. Questioned whether Pueblo Distribution Center provided the savings and services as claimed.

9. The GPO is referred to as the largest printer in the World, yet well over 50 percent of its printing is contracted on the outside.

10. A far more crucial and critical problem is morale and general attitude.

11. Further, an underground newspaper is now appearing and is a perfect example of the breakdown of morale.

12. Cronyism in a most virulent form exists and extends into the staff of the Joint Committee on Printing. Close examination will uncover numerous appointments based, not on qualification, but on purely personal relationships.

After my appointment, I received four letters dated March 6, 1973; June 15, 1973; August 7, 1973 and August 29, 1973. In each of these letters, Mr. Howell was attempting to convince me that he and his clients could help me solve the problems that he believed existed in the Documents Area. Each of his letters were polite and courteous. I met with Mr. Howell to discuss the qualifications of his clients. In a letter dated August 7, 1973, Mr. Howell referred to our meeting as follows; "When we were with you we discussed Government proposal and contract procedures and ways in which to circumvent the time consuming problems of work definition and the tedious review of proper documentation, which leads to the letting of contracts to the lowest bidders instead of to the most able and best qualified individuals and firms." (Emphasis added.)

Mr. Howell attempted to convince me that one of his clients, BRC Associates would be able to provide system design services that would help me correct deficiencies alleged to exist. It was no secret that the Public Documents Area needed to be modernized but I chose to establish a Systems Task Force comprised of GPO staff, and National Archives and Records Services and outside experts which did not include Mr. Howell's client.

From that time I have become a target for Mr. Howell's criticism, generally a rehash of the matters he had discussed with me prior to and during the first several months of my appointment.

Summarized below are the contents of various correspondence pertaining to this matter.

May 31, 1974 - Mr. Howell to Congressman Joel T. Broyhill - Critical of our effort to convert the Legislative Tracking System into an Automated Control System. Mr. Howell alleged that GPO entered into a contract with Operations Research, Inc. apparently without any open bidding procedure. Data was supplied to Congressman Broyhill by GPO documenting that Procurement regulations were followed.

June 4, 1974 - Mr. Howell to Congressman Broyhill - Complained that "A Naval-Crony cabal exists at the Government Printing Office and that the Ex-Naval personnel were hired without regard to Civil Service Regulations." He implied that GPO attempted to circumvent

Congressional intent to keep GPO in the District of Columbia by moving certain warehouse functions of the Superintendent of Documents to Virginia and Laurel, Maryland. The matter of Ex-Naval cabal is discussed later in this response. Relocations were approved by JCP and discussed with Appropriations committees.

June 5, 1974 - Material which identified 23 ex-military personnel employed by GPO was furnished to Congressman William L. Clay of Missouri by Mr. Eugene P. Schwartz, University of Missouri, St. Louis. This material alleged that Civil Service Commission procedures were not followed when GPO hired the ex-military employees. This data which is very similar to that furnished by Mr. Howell to Congressman Broyhill and the charges are the same as those discussed later.

June 5, 1974 - Congressman Broyhill to Joint Committee on Printing - Forwarded material supplied by Mr. Schwartz to the Joint Committee and asked for a review to determine if there was anything that could be done to pursue the matter further. Reply by JCP staff member dated July 10, 1974 suggested that the Public Printer be allowed to respond to the allegations directly.

June 24, 1974 - Mr. Howell to Mr. John E. Nidecker, Special Assistant to the President mentions June 21 meeting with George McFarlane and himself. Claimed that the Joint Committee on Printing was to blame for alleged adverse conditions at GPO and that the JCP appallingly omitted its responsibility to oversee GPO.

June 25, 1974 - Mr. Howell to Congressman Broyhill - Alleges financial mismanagement and cover-up of operating losses. GAO conducts an annual financial audit of GPO as well as numerous special operational surveys.

June 28, 1974 - Mr. Howell to Mr. Nidecker - Furnishes a copy of GAO Audit Report on Public Documents Department. Makes many derogatory comments and allegations in the margins of the report.

July 8, 1974 - Mr. Howell to Congressman Broyhill - Mentions Mr. Eugene Schwartz and discussion with Senator James B. Allen. Alleges Management malfunctions at GPO and comments on discussions with two GPO employees who claimed to have been intimidated by executives of the Documents Department. The data presented in no way substantiated the allegations.

July 11, 1974 - Congressman William L. Dickinson to Chairman of the Joint Committee on Printing, Honorable Wayne L. Hays - Mentions complaint which he had received about GPO. He commented that the allegations are of a serious fiscal nature and suggested that a thorough investigation might be appropriate. Chairman Hays replied on July 29, 1974 suggesting that the Public Printer be allowed to defend himself directly.

July 12, 1974 - Letter from the Civil Service Commission to GPO's Personnel Director. Mentions communications from Mr. Eugene P. Schwartz. Mr. Schwartz asked if GPO followed Civil Service Commission procedures in the hiring of 23 retired military personnel. Also furnished a list and brief resume of all 23 persons. GPO responded and Civil Service Commission informed Mr. Schwartz that they found no basis for further Commission inquiry.

July 18, 1974 - Mr. Howell to Congressman Broyhill - Referred to the Joint Committee on Printing's response dated July 10, 1974 as "A lot of meaningless words."

February 18, 1975 - Mr. Howell to Congressman Casey - Transmitted a copy of his February 12, 1975 letter to Senator Cannon, a draft news release from Lux Information Services and a letter dated January 31, 1975 from Mr. Eugene P. Schwartz. Suggests that GPO's budget should be probed more deeply than in the past. Mr. Schwartz complained that over 100 publications on order for almost three months had not been received; refers to retired Navy and other Pentagon officials and mentions public reports and magazine articles. The draft news release apparently was prepared by Mr. Howell.

The complaint of Mr. Schwartz was covered in testimony before the House Appropriations Committee.

The GPO as of March 1, 1975, had a total of 23 retired military employees drawing pensions on its rolls. Of this number, approximately 11 had served in the Navy. A total of 23 personnel in this category in an organization of some 8,500 employees is not at all unusual. Like most other agencies, there may be employees, who, while serving in civilian positions in the Federal Government, participated in reserve activities, retired as reservists and are entitled to a pension at age 60. We have no record as to whether we have such employees.

Mr. Spence, the late Public Printer, came to the GPO from the Navy and did attract numbers of well qualified applicants from the Defense Department, many of whom competed successfully for employment. The Advisory Services Division of the U.S. Civil Service Commission did look into this matter and saw no reason for further Commission inquiry, as we have already indicated. We have also made independent inquiries and the matter has been discussed before the appropriation committees of the Congress.

All of the retired military personnel appointed by the late Public Printer obtained their positions under competitive Civil Service procedures. None were hired for the Production Department, where the printing and binding operations are conducted. Generally, they were management and administrative types with considerable senior level experience in financial management, procurement, publications and distribution, warehousing, data systems and processing, and related fields.

The following material is directed specifically to the allegations and comments contained in a letter dated April 14, 1975 from Mr. Howell to the Chairman.

Mr. Howell charged that "Only a deep reflective audit of operations and management, and personal, private interrogations of Government Printing Office employees will prove or disprove the surface implications that the agency is in a critical if not terminal state."

I do not know what Mr. Howell means by a "deep reflective audit". GPO has been audited by the General Accounting Office extensively, and at our invitation studied by the Civil Service Commission and National Archives and Records Service. None of these reviews disclosed problems that would indicate "the agency is in a critical if not terminal state."

Morale

Mr. Howell charges that morale at GPO is low, that my testimony at the Legislative Appropriation Hearings on March 1, 1974 was false and implies that the publication "Minority Viewpoint" demonstrates that GPO employees disagree with me.

Mr. Howell also charges that there are civil suits against me by people who are dissatisfied with GPO's Equal Employment Opportunity program.

Mr. Howell's opinions concerning GPO are not supported by the facts. I believe that in any organization as large as GPO, there will always be some disgruntled employees.

There are four principal concerns of our employees which impact on morale:

1. concerns over technological change on work force;

2. concerns over future impact of a continuing Printing Procurement Program on work available for in-house work force;

3. dissatisfaction with working conditions in older buildings with older equipment;

4. concerns over prospect of more employees being reassigned to Maryland and Virginia.

Outside of these, we have no indication that the morale at the GPO is other than good. Our unions normally promptly provide us with indications of this sort and none have been voiced recently. Working conditions are fully negotiable and our unions have been more than willing to discuss them over the many years of our extensive Labor-Management Relations Program. We have taken a number of positive steps to improve working conditions and morale in the Public Documents Area and in administrative operations, i.e., provided modern office space, furniture and equipment, provided improved warehouse and distribution areas which make the work more efficient and pleasant, and increased and improved supervisory training.

The "Minority Viewpoint" is published by the Coalition of Minority Workers. The Coalition of Minority Workers, often referred to as "CMW" or the "Coalition" was organized about 1970. It was one of a number of such groups organized within many Federal agencies located in the District Government under the auspices of the Washington Urban League.

Judging from its publication and from its representations within the Office, its purpose is to promote the interest of black employees. We do not know how many members it has. Although its publication sometimes creates dissention among our work force, and is often factually in error, we read it carefully for any clues as to how our EEO program can be improved.

Much has been made of the fact that there are no blacks in our super-grade ranks. First, we have a relatively few such positions because of the nature of our operations. Second, a review of the number of blacks in super-grade positions in other agencies will reveal that our situation is not unusual. Third, we have made many efforts in this area. As one example, we did everything possible to induce a black to accept a GG-16 position. He declined in spite of our efforts.

Our Director of Equal Employment Opportunity is a Grade 15. He attends all of my staff meetings and has a voice in all major policy decisions affecting minority or female employees. The Equal Employment Opportunity Officer is a Grade 14. Both are black. One of our three physicians is also black.

The Special Assistant to the Director of Personnel for Employee Programs and Services is a Grade 13. He reports directly to the Director of Personnel and participates in the development of policies and programs affecting all employees. He is black. As mentioned before, the Special Assistant to the Chief, Employment Branch, who is responsible for recruiting is a Grade 13 and black.

With regard to civil suits against the Public Printer because of GPO's EEO program, the Public Printer has had a total of 7 suits since his appointment; 3 are currently outstanding. Of the 4 that have been resolved, none has gone against the Government Printing Office or the Public Printer.

We have made tremendous strides in providing greater opportunities for minorities. Ours is primarily a blue collar operation. We have a substantially higher percentage of blacks in higher paid blue collar positions than previously. The most dramatic is the increase in the percentage of journeymen who are black. Prior to 1961, less than one percent of the journeymen were black. Today over 13 percent are black. This compares with about 5.5% nationwide average in 1970. (Source: Statistical Abstract of the U.S. - 1974, page 353)

The increase, while impressive, becomes more so since most of these journeymen were trained by GPO in its apprentice program because of the difficulty in hiring black journeymen. About half of the apprentices were drawn from GPO's work force thus providing upward mobility. The percentage of black journeymen in the general labor market is insignificant. Moreover, employees who were previously working as laborers and clerks are now earning $17,000 to $20,000 or more after four years' training. Some have advanced to supervisory positions.

It is even more difficult to recruit qualified blacks for administrative or professional positions. Few blacks are certified to us on the CSC PACE examination or its predecessor the FSE Examination from which this agency primarily recruits its professional trainees. However, through special efforts we have been able to add a number of blacks to our staff in these areas. The latest example is the fact that of our 25 Printing Management Specialist Trainees, 4 are black. We are now recruiting for another class and are visiting colleges offering printing management programs. Included in these are colleges with total or very large percentages of black students. Our recruiter is black and is making a special effort to find qualified black applicants.

Since I became Public Printer, the Equal Employment Opportunity staff has increased from 8 to 17. We have appointed a coordinator for the Spanish Speaking Employees Program, and established two innovative committees to assist in improving the total EEO program:

1. The Equal Employment Opportunity Advisory Committee composed of representative employees (including the President of CMW); and

2. The EEO-Labor Interface Committee, composed of representatives of our unions, the Director of EEO, Special Assistant to the Director of Personnel for Labor Relations and other management representatives.

There are ten full time EEO counsellors to serve our employees and two professional investigators to speed up the complaint process.

A representative of the EEO Office sits on every promotion panel.

In summary, never has GPO devoted as many resources to the EEO Program as it now does, and the results indicate that much has been achieved.

Orders and Backlogs

Mr. Howell makes several intermingled charges and implications as well as posing several questions in this section of his letter. They are:

I gave conflicting testimony about the number of orders received per day, before the Senate and House Appropriations Committees and that I did not really know the number of orders received.

At the hearings, I was discussing the situation at the Central Office because that was the major problem area. Mr. Howell neglected to mention that I said as far as I was concerned, we were far from where we should be.

Below is the average number of orders received per day at the Central Office for the past 4 years; based on 252 workdays each year.

1971	1972	1973	1974
17,000	16,100	15,000	15,400

He questioned my statement that we receive from 10,000 to 40,000 letters and orders per day and asked whether complaints, requests and daily business mail was included.

Also, Mr. Howell concluded that due to non-work days we should have an automatic backlog of 810,000 orders. He assumes that mail arrives 365 days a year and that somehow we failed to account for all mail received. It appears he computed the 810,000 figure by multiplying 13,500 orders, the daily average computed by Mr. Howell, by 60; 52 Sundays and 8 holidays.

The 10,000 to 40,000 letters and orders each day mentioned at the April 9, 1974, hearings referred to the range of incoming mail each working day. On Mondays, and after holidays, for example, the volume is generally greater than other days and is at the higher end of the range. Accordingly, the calculations made by Mr. Howell appear to be based on a misinterpretation of what I said at the hearings.

Mr. Howell charged that the GPO cannot get out over 17,000 orders, manually, per day under the best conditions, and conditions at the GPO are hardly good in this area. If you take GPO's 15,000 figure it simply makes the claim more unacceptable.

Volume processed per day is a function of the complexity of the order. Completed action may be shipment of publications, refund of remittance for exhausted or unidentifiable publications, notification that publication is in a reprint status and will be shipped later, or entry of a subscription on our mailing list.

Mr. Howell claimed that we send orders to the Philadelphia Naval Distribution Center which causes us to send stock to Philadelphia.

In order to give faster service to the public when we were overloaded at the Central Office, we sent some orders to Philadelphia for opening and certification. Upon certification, the orders were returned to our Central Office in Washington, D.C. to be filled. Therefore, we did not, as Mr. Howell assumed, transfer stock to Philadelphia to fill these orders.

Backlog statistics on the number of orders gives an incomplete picture of the amount of work to be completed. One order may represent anything from one copy of a 25 cent document to multiple copies of several hundred documents. An order may consist of a simple optically scanable subscription renewal or a new subscription that requires keyboard input. For example, our April 1975 backlog of orders includes a large number of optically scanable renewals to a Federal Communication Commission Regulatory publication.

Price Increase - Government Publications

Mr. Howell alleged that in my testimony to the Senate Subcommittee on Legislative Branch Appropriations that postal increases had a major impact on the pricing of Government publications was false. He claims I neglected to mention that the volume of GPO sales was more than quadrupled from 1968 to 1974. Thus, he concludes, the total postage bill increased proportionately. He also claims that volume should have been able to offset to a good degree the percentage of the increase in postal rates.

There are many factors that affected postage costs between 1968 and 1974. Volume is one. However, the dramatic increase in postage from about two million dollars in 1971 to over 15 million dollars in 1972 cannot be attributed to a change in volume as Mr. Howell suggests. The volume of orders increased about 9 percent from 1971 to 1972. Dollar volume of sales from 1968 through 1974 has to be adjusted for price increases to arrive at the actual increase in physical volume of documents handled by the U.S. Postal Service. Furthermore, since 1972, postage costs actually decreased despite increases in volume. This was accomplished primarily through more judicial use of first class mail.

Postage rates, as we are all well aware have increased sharply in the last few years. For example, the cost of mailing a simple letter has gone from 6¢ to 10¢.

Sales revenue in Fiscal Year 1974 was about double that of 1968, not quadruple as claimed by Mr. Howell. Postage costs during this period increased more than tenfold; certainly not proportional as claimed by Mr. Howell. Sales in Fiscal Year 1968 were about $16 million dollars and in Fiscal Year 1974 were about $34 million. Postage cost went from about $1 million in 1968 to $15 million in 1972 and have decreased to about $10 million in 1974. A recent review by GAO confirms the fact that increased costs have been responsible for higher sales prices.

Mr. Howell claims that giving more work to Private Contractors, creates a tremendous force to drive prices upward and increase operating cost. He further stated that the request for a $12 million increase in working capital for 1974-75 resulted not so much from a need to cover expanding operations as to cover operating deficits.

Competitive bidding has proved itself over the years and need not be defended in this response. Specialty type work for which we lack the necessary technical capability must be procured from commercial contractors.

Mr. Howell's claim about the $12 million increase in working capital is not true and points out his lack of knowledge about GPO's operations and related financial statements. A review of GPO's financial statements will readily show that the cash position has improved over the year. We have not requested additional working capital for Fiscal Year 1976. There is absolutely no connection between working capital and operating profit and losses. As shown on page 45 of the Appropriation justification, GPO has made a profit every year since the inception of the Revolving Fund in 1954 except for Fiscal Year 1961. GPO's financial statements are audited annually by the General Accounting Office.

Mr. Howell guessed that GPO will request another increase for the Revolving Fund for Fiscal 1975-1976 - probably around $18 million over 1974-1975.

Mr. Howell's allegation is completely erroneous. GPO's appropriation request for Fiscal Year 1976 did not include any funds for additional working capital.

Destruction of Documents

Mr. Howell stated that the destruction of Government publications is carried out methodically and illogically. To prove this claim, he cites as examples: (1) an internal GPO memorandum, dated June 7, 1974, that deals with the number of documents destroyed in a week; (2) a report of the Pueblo Distribution Center citing the destruction of publications in September 1974; and (3) the minutes of an internal staff meeting of January 3, 1975 stating that publications that should have been disposed of were moved from the warehouse at 1111 N. Capitol to the Laurel warehouse and then destroyed. He charges that I "evidently condone this destruction as part of GPO's overall policy, which would aid considerably in covering up the complete lack of inventory controls and handling procedures." He charges that "such decisions indicate slovenly management."

Mr. Howell's charge against the comment in our internal report of June 7, 1974, refers to the positive, and prudent actions we were taking to purge our limited warehouse space of unsaleable documents to make room for new publications. If this aspect of inventory management were neglected, our warehouses would become clogged, our operating costs would increase, and it would become more difficult to provide current documents to the public.

His citation of the Pueblo Distribution report is evidence that we are managing inventories and taking appropriate action to keep them current.

Regarding the third citation, the purification of stock at our 1111 N. Capitol Street warehouse was complicated by a drop in the price which scrap paper dealers could get for paper. This slowed their responses to our requests for pickup at a time when we were in the process of moving.

Several points are considered before publications are purged from our stocks. As you are aware, many Government publications become obsolete or are superseded by new editions each year. This is particularly true of regulatory material. The unsold copies of other publications, such as daily, weekly, and monthly periodicals, are as worthless as yesterday's newspaper.

Any publication deemed to have potential continuing value is offered to the publishing agency before it is sold for scrap. Examples of publications returned to the publishing agencies are: "NBS Technical Note 537"; "1970 Census of Population, Vol. 1"; "Characteristics of the Population, Part 20, Louisiana", and "NBS Miscellaneous Publication 240, List of publications of the NBS, July 1, 1957, to June 30, 1960," How To Buy Canned and Frozen Fruits, Subject Headings - A Practical Guide, Forrest Service Health and Safety Code, Chaos and Control in Poetry.

In general, the publications purged from the inventory each year are technical publications for which the limited market has been satisfied, obsolete publications for which there is no longer a market, periodicals which are outdated, and publications returned to the publishing agency for them to use or distribute as they see fit.

Summary

I do not know Mr. Howell's motives in continually making allegations against the management of GPO, but we have responded to these same type of charges several times as indicated in the first part of these comments. The time, effort, and cost of repeatedly responding to various Senators,

Congressmen and Committees about misinterpreted and false statements is certainly an expensive process and could be considered an unnecessary expenditure of money.

It seems unwise to expend Government resources conducting investigations of allegations made by individuals who have presented so many which have been proved to be in error, of no consequence, or the result of complete confusion on their part. It appears that Messrs. Howell and McFarlane will continue to present discredited or erroneous information to anyone who has not heard of it or them before and is willing to listen. Since they are not in a position to be knowledgeable about GPO, their information will always be a piecing together of odds and ends with complete disregard of the findings of truly knowledgeable organizations such as the Joint Committee on Printing, the General Accounting Office, and Civil Service Commission. This may account for Mr. Howell's expressed wish in the letter to the Chairman that the Chairman not refer the material to either Senator Cannon, Members of his Committee, or the Staff of the Joint Committee on Printing.

Hopefully, the establishment of this record will expose Messrs. Howell, McFarlane and their associates, if any, to be chronic, persistent, purveyors of incomplete or erroneous information, who are causing significant waste of Government funds by their tactics.

Senator HOLLINGS. Also the chairman of our committee, Senator McClellan, wishes to have some questions answered. Will you please respond to them.

Mr. MCCORMICK. Yes, sir.

[The questions and answers follow:]

Q. 1. What are the anticipated fiscal year 1976 expenses for the following items from the revolving fund? (a) Operation and maintenance of GPO, including rental of buildings except Superintendent of Documents?

A. $602,342,000.

Q. (b) Attendance at meetings?

A. $3,000.

Q. (c) Maintenance and operations of emergency room?

A. The GPO Occupational Health Division provides emergency and first aid services in addition to conducting the occupational health programs, providing services such as counseling, immunization, examinations and conducting an alcoholism and drug abuse program. The total anticipated cost to the GPO of these services for fiscal year 1976 is $479,000. The cost of emergency treatment is not maintained separately.

Q. (d) Uniforms authorized by Sec. 5901 of Title 5?

A. $30,000.

Q. (e) Repairs and minor alterations to buildings and appurtenances?

A. $3,000,000.

Q. (f) Expenses authorized in writing by the Joint Committee for inspection of Government printing activities?

A. None.

Please list those expenses for fiscal years 1974 and 1975.

See Attachment A.

ATTACHMENT A

EXPENSES OF THE REVOLVING FUND

	Fiscal year 1974	Fiscal year 1975
(a) Operation and maintenance of GPO, including rental of buildings except Superintendent of Documents	$357,960,563	$488,685,000
(b) Attendance at meetings	2,898	3,000
(c) Maintenance and operation of Occupational Health Division	461,893	444,000
(d) Uniforms authorized by section 5901 of title 5	27,646	29,000
(e) Repairs and minor alterations to buildings & appurtenances	3,390,000	3,158,000
(f) Expenses for inspection of Government printing activities	0	1,649

Q. 2. GPO stated during the FY 1975 Senate hearings (p. 107) that executive agency printing plants, primarily in the Defense Department were shrinking. Sec. 312 of Title 44 states in part: "An officer * * * no longer required or authorized for his service, shall submit a detailed report of 'equipment and supplies' to the Public Printer."

A. The requirement for Government agencies to submit a detailed report to the Public Printer of equipment no longer required or authorized as defined in Section 312 of Title 44 was supplemented in December 1972 in Government Printing and Binding Regulations No. 22, issued by the Joint Committee on Printing. Paragraph 10 of these regulations provide for the disposition of excess printing equipment in accordance with existing Government surplus property disposal procedures which do not specifically involve the Public Printer.

Q. (a) Does this also apply to shrinking agency printing plants?

A. Yes.

Q. (b) Have you had occasion to requisition equipment under these circumstances from other Government agencies?

A. Yes.

Q. (c) Has equipment ever been auctioned off?

A. Excess equipment in the GPO is disposed of by trade-in, competitive bid, or sold for scrap as appropriate.

Q. (d) Have the proceeds been returned to the Treasury?

A. Proceeds of sales made by the GPO have been returned to the revolving fund in accordance with 44 USC 309 (b)(2).

PAPER PROCUREMENT

Q. (e) When advertising for paper bids do you make a random selection of 6 publications in which to advertise?

A. Selection of publications is determined by the Joint Committee on Printing (see Attachment B).

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON PRINTING, *February 27, 1975.*

MY DEAR SIR: Pursuant to the resolution adopted by the Joint Committee on Printing on June 17, 1974, you are authorized and directed to advertise for sealed proposals for furnishing the quantities of paper for the different descriptions for the public printing and binding in accordance with your estimates for the term of three months for paper beginning May 1, 1975 as indicated in the proposals accepted this day, and that said advertisements shall be inserted in the form attached as follows:

On March 21 and 24, 1975, in The Herald, Boston, Massachusetts; The News, Dayton, Ohio; The Chicago Tribune, Chicago, Illinois, The Detroit Free Press, Detroit, Michigan; The Washington Star-News, Washington, D.C., the Wall Street Journal, New York and the Commerce Business Daily.

Yours very sincerely,

HOWARD W. CANNON,
Chairman.

Q. (f) Do you place more than 6 advertisements?
A. Yes.
Q. (g) Which publications?
A. The Herald, Boston, Mass.; The News, Dayton, Ohio; The Chicago Tribune, Chicago, Ill.; Detroit Free Press, Detroit, Mich.; Washington Star-News, Washington, D.C.; The Wall Street Journal, New York, N.Y.; and The Commerce Business Daily.
Q. (h) Do you use these same publications every year?
A. Yes, as directed by the Joint Committee on Printing.
Q. (i) Where are they geographically located?
A. Boston, Massachusetts; Dayton Ohio; Chicago, Illinois; Detroit, Michigan; Washington, D.C.; Wall Street Journal, New York, N.Y.; Commerce Business Daily, Washington, D.C.
Q. (j) Submit a typical advertisement for a paper bid. See Attachment C.

ATTACHMENT C

PROPOSALS FOR FURNISHING PAPER FOR THE U.S. GOVERNMENT PRINTING OFFICE

Sealed proposals will be received until 10:00 a.m., prevailing Washington, D.C., time, April 8, 1975, in the United States Government Printing Office, Washington, D.C., for furnishing the paper for the public printing and binding and blank paper ordered for the Government departments and establishments during the term of 3 months beginning May 1, 1975, deliveries to be F.O.B. Government Printing Office Warehouse or warehouse siding, Washington, D.C.

The proposals will be opened in the presence of and the award of contracts made by the Joint Committee on Printing to the lowest and best bidders for the interest of the Government whose bids are in conformance with the requirements of the proposal. Discounts offered for prompt payment will not be considered in making awards under this proposal. The Committee reserves the right to reject any or all bids, or to accept any bid or any part and reject the other part if, in its opinion, such action would be in the interest of the Government.

Blank proposals containing the instructions, schedule and specifications may be obtained by addressing Director, Materials Management Service, U.S. Government Printing Office, Room A332, Washington, D.C. 20401.

Contracts will be entered into for supplying the quantities required, whether more or less than the estimates, as provided in paragraph 40 of the Instructions.

The approximate estimated quantities set forth in detail in the schedule comprise:

PAPER ADVERTISEMENT

Eight hundred ninety thousand pounds machine-finish book paper; 20,000 pounds machine-finish book end paper; 240,000 pounds heat-set web offset machine-finish book paper; 930,000 pounds heat-set web offset book paper; 5,620,000 pounds offset book paper; 80,000 pounds opacified offset book paper; 140,000 pounds litho coated book paper; 20,000 pounds water resistant (text) book paper; 65,000 pounds mimeograph paper; 4,425,000 pounds writing, white and colored, paper; 440,000 pounds map paper; 760,000 pounds 50% white chart, lithographic-finish paper; 30,000 pounds manifold, white and colored, paper; 567,000 pounds bond paper; 90,000 pounds mimeograph bond paper; 40,000 pounds translucent bond paper; 8,000 pounds 100% parchment deed paper; 474,000 pounds ledger, white and colored, paper; 60,000 pounds litho coated cover paper; 490,000 pounds vellum-finish cover paper; 220,000 pounds No. 2 kraft paper; 2,000 pounds oiled manila tympan paper; 25,000 pounds masking, photo-lithographic paper; 15,000 pounds manila tag board; 800,000 pounds postal card paper; 140,00 pounds newsboard; 3,910,000 sheets index, white and colored, paper; 5,000 sheets cloth lined cover paper; 45,000 sheets railroad board; 5,000 sheets pressboard; 54,000 sheets book cover board; 145,000 pieces book cover board.

T. F. MCCORMICK,
Public Printer.

FEBRUARY 27, 1975.

Q. (k) Would it include orders for 3, 6, and 12 months?

A. Three months except for newsprint which varied from 12 to 24 months.

Q. (l) How many paper companies are presently supplying GPO with paper?

A. For the term commencing May 1, 1975, we had 16 paper merchants representing 27 paper mills.

Q. (m) With orders of what duration, 3, 6, or 12 months?

A. Same as k above.

Q. (n) Are the same companies consistent low bidders for GPO paper contracts?

A. No.

Q. 3. Sec. 1707 provides that appropriations for reprints shall be reimbursed from moneys received from the sale of public documents. (a) Does the Superintendent of Documents maintain a contingency fund for this purpose?

A. We have no contingency fund for buying reprints. However, we buy reprints and the cost of the reprints are reimbursed from the proceeds from the sale of publications.

Q. (b) How often are reprints ordered from any source?

A. We order about 3,000 reprints each year.

Q. 4. Sec. 1907 (a) How many executive departments and independent agencies maintain depository libraries?

A. There are currently 34 Government Libraries designated as Depository Libraries.

(b) Is it the responsibility of the Superintendent of Documents to authorize the disposal of unwanted publications in Depository Libraries?

It is not the responsibility of the Superintendent of Documents to authorize the disposal of unwanted publications in Depository Libraries. This disposal is covered specifically in Title 44 USC 1911 and 1912.

(c) What volume of publications are disposed of from libraries in a year?

As provided in 44 USC 1912 the disposal program is a function of the Regional Depository Libraries. The Regional Depository Libraries authorizes disposal of publications and the volume of such disposal is unknown.

(d) Are they sold as waste paper?

This office has no record of how disposals are made. However, it would appear that the quantities involved at each library are such that disposals are made by scrapping rather than sale.

(e) Are these funds returned to the Treasury?

See 4d above. Where such sales occur the proceeds should be returned to the Treasury.

Q. 5. GPO has made the statement that "There are certain publications over which the Public Printer does not have complete authority to establish selling prices and many of these publications are not self-sustaining". (a) To what publications do you refer?

A. "Congressional Record", "Congressional Record Index", "Federal Register", "Weekly Compilation of Presidential Documents", "Code of Federal Regulations", "List of CFR's Affected" and a number of other publications not priced under Section 1708 of Title 44 of the U.S. Code.

Q. (b) What is meant "Not have complete authority"?

Section 1708 of Title 44 U.S. Code is the basic authority for establishing selling prices of documents to the public and provides for a self-sustaining program. Certain laws provide for sales prices which are less than self-sustaining or vest authority to set sales prices in individuals or groups other than the Public Printer. As an example, Section 1504, Title 44 USC states "The prices to be charged for the Federal Register may be fixed by the Administrative Committee of the Federal Register. . . ."

(c) By how much are these publications not self-sustaining?

We have estimated a figure of $4,237,000 for Fiscal Year 1976.

(d) Where is this reflected in the justifications?

We have referred to this as a "Special Sales" program in our Fiscal Year 1976 Appropriation request.

(e) Will this, in effect, be a subsidy?

Yes.

(f) Are you of the opinion that the individual agencies should appropriate funds for the subsidizing of their respective publications under this special category?

The publications included in the "Special Sales" category of GPO's appropriation request are those for which GPO is required to justify the initial printing and binding costs. Should other agencies feel their publications warrant subsidy as far as documents sales to the public are concerned, we would and have suggested that the publishing agency seek appropriated funds for this purpose.

Q. 5. (g) Have you approached the agencies on this matter?

A. Not all agencies. We have discussed and recommended subsidy appropriations to those agencies who feel we should sell their publications at less than cost plus 50 percent.

Q. (h) If so, what is their response?

One agency has responded favorably by providing us the use of their indicia for mailing subscription periodicals. This allows GPO to charge lower prices than would otherwise be necessary. Other agencies have shown little interest in justifying selling their publications at lower prices.

UNEXPENDED APPROPRIATION

Q. 6. Due to the fact that there is no congressional limitation of expenditures (in the Congressional Printing and Binding Accounts), Please supply a table of unexpended funds as of June 30 for the previous 5 Fiscal Years. See Attachment D. (a) The table on page 21 of the justifications indicates that the estimated cost per unit of the daily Congressional Record in 1973 was $165.36 and in 1974, $163.41. What was the reason for this decline?

ATTACHMENT D

CONGRESSIONAL PRINTING AND BINDING APPROPRIATION SCHEDULE OF UNEXPENDED APPROPRIATION AT JUNE 30 FOR FISCAL YEARS 1970–74

Fiscal years:	*Unexpended appropriation as of June 30*
1974	$1,585,120
1973	1,654,456
1972	4,442,235
1971	10,398,584
1970	13,754,757

A. The principal reason for the decline in unit cost was a 17.3 percent increase in the number of pages (units) which permitted allocation of certain fixed or semifixed cost over a larger number of units.

Q. (b) The index page unit also declined in this period yet the total record program costs increased in 1974. Please explain why.

The total Record program unit costs increased in 1974 over 1973 because the increased unit cost of the Bound Record was not offset by other unit cost decreases.

(c) Why did the Bound Record cost more per unit?

The estimated cost for producing the Bound Record will reflect the increased labor cost that will result from producing these volumes two years after the initiation of the requisition, i.e., Fiscal Year 1974's Bound Record will be completed in Fiscal Year 1976, and consequently the cost of the Bound Record will be charged to the 1974 appropriation at the higher estimated labor and material rates of 1976.

Q. 7. (a) In the tables on pages 21 and 22 of your justification you use the terms "Daily Page" for the Congressional Record and "1,000 page copies" for the Federal Register. Since these two publications are virtually the same format, why do you use these different terms relative to estimating cost per unit?

A. The term "1,000 page copies" was first used to describe the units in the Federal Register in the Fiscal Year 1975 Appropriation Hearing to more accurately describe the large increases that were being reflected in the "Page Rate." The number of copies being printed was increasing dramatically while the pages, which were also increasing, but at a lesser percentage, were being used to determine the page rate. It was our opinion, at that time, to change the basic unit of measurement to include the effect of the increase in the number of copies being printed to provide a more accurate picture. Conversely, the number of copies printed of the Record has remained relatively stable and the number of pages has been the dominant factor.

Q. (b) What is the cost of a daily page unit of the Register?

A. The actual cost of a daily page of the Register is $165.41 for fiscal year 1975 through March 31, 1975.

(c) Please submit the per page unit costs for the years 1970–75.

Fiscal year	Type page unit cost	Number of type pages	Number of copies printed
1970	$85.97	18,950	4,859,611
1971	99.40	21,733	5,405,048
1972	111.28	26,089	7,125,887
1973	136.09	30,474	9,114,722
1974	142.47	37,211	10,494,331
1975 (Mar. 31, 1975)	165.41	23,871	6,797,732

Q. (d) Why does the per page cost of the Record far exceed that of the Register?

A. The processing of the Record including composing, press work, and binding is performed entirely at night requiring the payment of an additional night differential in addition to frequently required overtime. We have received the Record copy as late as 4 a.m. and still make delivery later that morning. Type pages have ranged from 36 pages to 608 pages per night. The composition of the Register represents the largest element of cost and is performed entirely during the day shift thereby eliminating the night differential cost and requiring little overtime.

Q. (a) What is the basis of the GPO surcharge?

A. The basis for the surcharge concept is that there are categories of printing work relating to degree of service required for which additional costs are incurred. Rather than increasing basic prices by averaging these extra costs over all jobs, some broad classifications with appropriate surcharge rates have been developed over the years. The rates vary, based upon an estimate of the average additional cost applicable to the type of service requested. The type of costs to be recovered include:

1. Night work.
2. Overtime on the specific job.
3. Overtime and night differential on other work which ordinarily would have been done on straight time or day shift, but for giving special priority to the surcharge job.
4. Extra makeready.
5. Special procedures for classified work.
6. Special expediting.

Q. (b) What is the surcharge, in percentage, at present?

A. The surcharges in effect at the present time are:

	Percent
Confidential work	15
Secret and top secret work	30
Departmental rush work	50
Congressional work	[1] 40

[1] See question 8e.

Q. (c) When was this percentage effective?

A. These percentages were last revised effective as follows:

Confidential work	February 1, 1959
Secret and top secret work	February 1, 1959
Departmental rush work	September 1, 1953
Congressional work	April 1, 1975

Q. (d) What was it prior to being changed?

A. Prior to this the following surcharges were in effect:

	Percent
Confidential work	10
Secret and top secret work	20
Departmental rush work	None
Congressional work	30

Q. (e) It would appear that if you increase your surcharge by 10 percent of which 90 percent is labor costs, you are increasing your income by an approximate 9 percent or $10 million. Is this correct?

A. The increase in Congressional surcharge from 30 percent to 40 percent would result in an increase in gross revenues on an annual basis of approximately $7.5 million. However, it is not expected that the 40 percent surcharge rate will remain in effect beyond the end of this fiscal year. The increase was made primarily to recover approximately $2 million under-recovery of costs since we were staffed for a full Congressional workload which did not materialize during January and February 1975. Accordingly, the April 1, 1975, increase was not a surcharge in the technical sense defined in response to question 8a, but rather a temporary increase in the price of labor applied to Congressional work (see answers to question 8l).

Q. (f) Do you contemplate requesting the additional amount relating to the increased surcharge in a supplemental request?

A. We do not know at this time whether or not we will be in a deficiency situation with regard to fiscal year 1975 Congressional Printing and Binding Appropriation.

Q. (g) When do you propose to ask for the money?

A. Should fiscal year 1975 Congressional Printing and Binding result in an over obligation we would request a deficiency appropriation in conjunction with our request for fiscal year 1977 funds.

Q. (h) How much have labor costs increased?

A. GPO labor costs over the past 5 fiscal years have increased as follows:

Fiscal year	Amount of increase	Percent increase	Printing trade rate increase (percent)
1976 over 1975 (estimate)	$10,002,248	8.8	10.0
1975 over 1974 (estimate)	8,326,905	7.9	12.0
1974 over 1973	8,726,330	7.0	8.4
1973 over 1972	2,300,702	2.4	7.0
1972 over 1971	13,057,505	16.1	14.9
1971 over 1970	5,006,031	6.6	10.1

Q. (i) What are the current administrative cost?

A. For fiscal year 1975 through March 1975, the cost is $8.2 million.

Q. (j) Please supply a table indicating these costs for the years 1970 through 1976 (est.)

A. See Attachment E.

ATTACHMENT E

SCHEDULE OF ADMINISTRATIVE COSTS FOR FISCAL YEAR 1970–1976

Fiscal year:	
1976 (estimate)	$12,000,000
1975 (estimate)	11,700,000
1974	10,087,294
1973	9,455,775
1972	7,806,000
1971	5,342,000
1970	3,195,977

Q. (k) How much of the Congressional Record costs are surcharge?

A. The total charges for the daily Congressional Record for fiscal year 1974 are $7,340,105 of which $1,488,781 is for surcharge. For fiscal year 1975 the total charges, through January 1975, for the daily Congressional Record are $4,257,799 of which $853,658 is for surcharge.

Q. (l) What surcharge percentage does GPO bill to the Congressional Printing and Binding Account?

A. From January 1973 through March 1975 GPO applied a 30 percent surcharge. Effective April 1, 1975, an interim surcharge of 40 percent has been applied to recover our increased cost. (See answer to 8e.) It should be noted that the surcharge percent is not applied to paper and other chargeable material costs.

Q. (m) Of those items listed on page 21, which are subject to this surcharge?

A. This congressional surcharge is applicable to all of the categories with the exception of the Public Papers of the President and the composition portion of the Federal Register.

Q. (n) Do executive agencies pay this surcharge? If not why not?

A. No; because most work for executive agencies is either procured or is done on straight time at the day rate. However, executive agencies pay 50 percent surcharge for rush work.

Q. (o) Why does OMB have the privilege of paying only a 25 percent surcharge for four of its publications?

A. We assume you are referring to the budget program. This work had been evaluated as being in the same category as congressional work and has been charged the congressional surcharge rate. However, we neglected to charge the surcharge rate to correspond to the increase in the congressional surcharge.

Q. (p) Are dated periodicals of the executive branch subject to a surcharge?

A. Normally, dated periodicals do not carry a surcharge in that the majority of the dated periodicals are procured commercially or are processed through the plant on a regular scheduled basis and does not require special or rush handling. If however, special handling is required a surcharge is applied.

Q. (q) Are agency and congressional publications which are produced in the daytime subject to the same surcharge as those produced by the night shift?

A. Agency publications would not carry a surcharge unless the agency requested the work to be handled on a priority basis. Congressional work on any shift is produced on a rush priority basis and carries a surcharge.

Q. (r) What was the estimated surcharge for fiscal year 1970–75?

A. The total gross receipts generated from all surcharges are as follows:

Fiscal year:	*Amount*
1970	$8,040,096
1971	8,449,038
1972	9,978,449
1973	14,668,816
1974	14,080,778
1975 (through March 31, 1975)	10,518,530

Q. (s) Is the surcharge placed against the Federal Register?

A. As stated previously the composition portion of the Federal Register has not carried a surcharge, because it has traditionally been billed as nonrush work on the day shift. However, all other charges for presswork and binding do carry the applicable congressional surcharge. In view of the steadily increasing size of the Federal Register it is beginning to require special efforts to produce and consideration is being given to applying a surcharge to the composition portions of the Register.

Q. (t) What percentage and amount of the total cost is surcharge and what is regular cost?

COST OF FEDERAL REGISTER

	Fiscal year 1974		Fiscal year 1975 (through Mar. 31, 1975)	
		Percent		*Percent*
Surcharge	$521,439	10	$398,382	10
Other charges	4,777,165	90	3,553,421	90
Total	5,298,604	100	3,951,803	100

Q. (u) Why is it equitable to make up $10 million by increasing the surcharge rate only against congressional printing? Would it not be more fair to increase the scale of prices for all agencies if conditions warrant?

A. See answer to 8e. The increase was a temporary measure to meet a specific situation.

Q. 9. During the fiscal year 1975 hearings (p. 121, attachment) you mentioned that title 44 authorizes the Public Printer to request payment of agency printing bills before audit. (a) How often do you exercise this authority?

A. We request payment before audit on all invoices.

Q. (b) Do you encounter many refusals or nonactions?

A. We encountered general resistance and nonaction on our request for payment before audit.

Q. (c) Are these refusals because of agency procedures or legislated regulations?

A. To the best of our knowledge, the refusals are the result of agency procedures.

Q. (d) What action can and does GPO take when a payment is not made in 30 days? 60? 90?

A. Actions taken when payment is not made in 30 days: GPO sends each agency a monthly computer listing of their account, which shows each unpaid invoice and the total unpaid amount. The listing classifies each invoice by age in one of three categories: 0–30 days old; 31–60 days old; and 61 days old and over. A form letter accompanies the computer listing. The letter requests prompt payment of the invoices shown on the listing, and cites title 44, section 310 of the U.S. Code to the effect that bills rendered by the Public Printer are not subject to audit or certification in advance of payment.

Actions taken when payment is not made in 60 days: If the agencies fail to respond to the actions taken after 30 days, GPO prepares copies of the unpaid invoices and sends them to each agency, along with a reminder (1st reminder) letter. The reminder letter asks for payment of the unpaid invoices and cites in greater detail the requirements for prompt payment contained in title 44, section 310 of the U.S. Code.

Actions taken when payment is not made in 90 days: If the first reminder letters fail to produce a satisfactory response from the agencies, GPO again prepares copies of the unpaid invoices and sends them to each agency, along with a 2d reminder letter. This reminder letter refers to the 1st reminder letter and the date it was sent, and again requests prompt payment. Also contained in this 2d reminder letter is a reference to title 44 requirments, and an assertion that if payment is not made, the account will be forwarded to the GPO Comptroller for his attention.

The various written requests for payment often evoke responses from agencies in the form of a telephone call asking for more information about their indebtedness. GPO collection personnel generally use this opportunity to continue communication with the agencies by telephone. GPO personnel also contact agencies by telephone whenever this method appears to be more productive than the normal routine of reminder letters. Also, when total agency indebtedness increases in spite of repeated collection efforts, GPO personnel will visit the agency to stimulate greater payment effort.

Q. (e) Has this situation improved at all in the past year?

A. Yes. While the accounts receivable are higher (24 percent) in March 1975 as compared to March 1974, our overall billing increased 31 percent. During the first 7 months of fiscal year 1975, the average monthly collections were approximately $26.3 million. During the subsequent 3 months of fiscal year 1975, the average monthly collections were approximately $38.3 million, an average monthly increase of $12.0 million, or about 46 percent over the first 7 months.

Q. (f) On accounts receivable, please update the table on pages 120–121 of the fiscal year 1975 hearings.

A. (See pp. 1123–1125.)

Q. (g) Are there any accounts outstanding in excess of 90 days?

A. Yes.

Q. (h) If so, what circumstances surround such situations?

A. While we are not aware of the circumstances that prevent prompt payment of each individual invoice, there are certain reasons we have received from agencies. They are:

1. GPO invoices are given a low priority in some agencies;
2. Some agencies are so decentralized that there is no central point that GPO can go to for remedial action;
3. Agency procedures, in some instances, preclude prompt payment, and
4. A poor cash position.

Q. 10. (a) I understand that a certain amount of spoilage occurs in printing and binding considering the volume that is printed at the GPO. What does this spoilage amount to in a year?

A. The total amount of spoilage is less than two-tenths of 1 percent of our total billings. This compares very favorably to a recent survey conducted by the National Association of Printers and Lithographers which shows the spoilage in the Graphic Arts Industry to be 3 percent.

Q. (b) Who is this charged to? GPO?

A. Spoilages are charged directly to the GPO organization that is responsible for the spoilage and is not charged directly to the customer.

Q. (c) Is this charge considered in the appropriation request?

A. No specific charge for spoilage is included in the appropriation request. However, it is included as a part of our overall rate structure.

Q. (d) Does the spoilage fluctuate or is it approximately the same each year?

A. It fluctuates.

Q. (e) Supply figures indicating spoilage costs for fiscal year 1970–76.

A. See attachment G.

ATTACHMENT G
SUMMARY OF SPOILAGE

	1970	1971	1972	1973	1974	[1] 1975	[1] 1976
Spoilage	$367,385	$351,193	$366,203	$397,484	$600,543	$645,000	$787,000
Percentage of Spoilage to Printing and binding Bills	.002	.002	.001	.001	.002	.0013	.0013

[1] Estimate.

Q. (f) Supply figures indicating spoilage costs for fiscal year 1970–76 relating to congressional printing and binding.

A. No separate record is maintained for congressional spoilages.

Q. (g) How are spoilage charges offset?

A. Spoilage costs are charged to the GPO organization that is responsible for the spoilage. These costs are reflected in our rate structure.

Q. 11. On page 32a of the justifications you state: "The rental charge now being applied by GSA has caused us to reevaluate the bookstore program in Federal buildings." (a) What is prompting you to reevaluate this situation?

A. We were prompted to reevaluate the desirability of locating bookstores in Federal buildings when the General Services Administration commenced charging GPO for the space occupied. Some other factors prompting reevaluations were the lack of parking facilities and the poor visibility of stores located in the interior of office buildings or on the upper floors of office buildings and low volume of potential customers.

Q. (b) If a bookstore is established in a popular metropolitan shopping center, what evidence do you have that rental charges will be less through private agents?

A. We have no evidence that rental charges per square foot will be less through private agents. Based on the quotations received from the General Services Administration for space in a recently investigated shopping center site, it appears that the rental charges in shopping centers will be about the same as for Federal building office space. There are the added advantages of free parking, good visibility and street level location with excellent window display facilities Also we will be able to use signs. All of which provide the potential of increasing sales volume.

Q. (c) How will you "generate additional revenue" from this bookstore when the prices of Government publications are fixed "to break even"?

A. Although past increases in the cost of sales operations have exceeded the increase in our prices, we are developing price scales designed to comply with section 1708 of title 44 of the U.S. Code, which require selling prices to be based on the cost as determined by the Public Printer plus 50 percent. Accordingly, if new store locations can generate an additional volume of sales and therefore additional revenue, without at the same time increasing the fixed or semifixed operating costs of a particular store then those costs can be spread over a larger sales base and the margin of profit should increase.

Q. (d) Do you think the Government should compete with private bookstores?

A. We do not believe the GPO bookstores are competing with private bookstores, because we do not sell privately sponsored publications. We sell only U.S. Government documents. For the most part, the demand for these documents is such that private bookstores have not evidenced much interest in selling them even though, we offer a 25 percent discount to bookdealers. Furthermore, quantities of most of these documents are given away free by the publishing agencies and Members of Congress. This further diminishes the incentive private bookdealers might have to sell them.

Q. (e) Have you considered a change in pricing policy to induce private bookstores to handle Goverment publications to avoid Government-private competition and afford the public a greater opportunity to purchase Government publications?

A. This would require a change in law which we are considering.

Q. (f) Are you able to compete with private publishers in the sale of books?

A. We do not consider that we are competing with private publishers in the sale of books because we sell only Government documents.

Q. 12. The table on page 22 of the justifications reveals a history that the daily Record page declines in odd-numbered years.

1970	47,907
1971	47,600
1972	50,796
1973	38,534
1974	45,195
1975 (estimate)	46,000
1976 (estimate)	51,000

(a) Since the figure for 1975 is estimated, what brings GPO to the conclusion that 1975 will be an exception to an apparent pattern?

A. The daily Record pages produced for the first 6 months of fiscal year 1975 exceeded the pages produced the first 6 months of fiscal year 1974 by 1,434 or 11 percent. Accordingly we expect a slight increase in number of pages in 1975 over 1974.

Q. (b) "Miscellaneous publications" show a decrease in quantity of 14,131 units (8.4 percent) in 1974 over 1973. A further decrease of 19,000 units (12.3 percent) occurred in 1975 over 1974 with an increase in costs of $6.11 and $7 respectively. In what way are these figures related?

A. Miscellaneous Publications and Miscellaneous Printing and Binding are catchall categories involving such diverse items as the U.S. Code and Supplements and committee prints in the former and tags and blank paper in the latter. Therefore analysis of overall trends for the categories are meaningless.

Q. (c) How did you arrive at projected volume increase of 2.9 percent in this item for 1976?

A. It is expected that a new U.S. Code which is produced not oftener than once in each 5 years will be included in the 1976 volume count offsetting the assumed basic volume decrease.

Q. (d) Your estimated volume increase for a unit of the Register is 78 percent greater in 1976 over 1974, with a cost increase of 72 cents per unit. What is the basis for an increase in cost per unit of the Register?

A. The major elements of cost are composition labor and paper which vary directly with volume. These costs are expected to increase 24 percent and 62 percent respectively over the 2-year period. Normally this would increase unit costs greater than 18.8 percent represented by the 72 cents; however, in addition to an improvement expected to result from the volume increase, additional cost decreases are anticipated from productivity improvements.

Q. (e) Does not the unit cost decrease when the volume increases?

A. As indicated by the answer to question 12d unit costs do not decrease with volume increase in this instance because the major elements of cost, composition labor and paper vary directly with volume.

Q. 13. (a) Please explain the item "reduction of 112 permanent positions, 92 temporaries, and 253 WAE's."

A. Based upon the relocation of Superintendent of Documents personnel to modern office and warehouse facilities and the continuing automation effort, night shift work has been eliminated, and morale and productivity have improved. It is anticipated that this will permit the phaseout of most temporary and WAE employment and further allow the reduction of 112 permanent positions from those included in the 1975 appropriation request.

Q. (b) How long have these people been on the rolls?

A. It is impossible to pinpoint the specific individuals involved since some of this reduction will come from not filling positions already vacated and the balance by attrition.

Q. (c) How many people did you actually let go or was this only a paper transaction?

A. This was not a paper transaction; however, reduction to date has been as a result of attrition.

Q. (d) How many additional personnel will be reimbursed from the requested $36,600?

A. The $36,000 provides for four employees at one new bookstore to be opened in fiscal year 1976.

Q. (e) Are any restrictions placed on the Public Printer or the Superintendent of Documents relative to number of people hired?

A. Title 44 U.S. Code 305 states in the pertinent part that the Public Printer may not employ more persons than the necessities of the public work require.

Q. (f) Is the reduction in personnel benefits due to the decrease of the above-mentioned personnel?

A. The decrease in benefits is due to the reduction of permanent positions.

Q. (g) How many square feet of space was the Superintendent renting at the Pueblo Army Depot?

A. The Superintendent is renting 40,000 square feet of space at the Pueblo Army Depot.

Q. (h) What was the cost per square foot?

A. The cost per square foot is 50 cents.

Q. (i) Who was the recipient of the rental fee?

A. The recipient of the rental fee was the Treasurer of the United States, Account of J. F. Cravens, D.O., Symbol 5018—Pueblo Army Depot, Pueblo, Colo.

Q. (j) Is the new Pueblo building literally a new building?

A. The new Pueblo building is a warehouse addition to the existing Pueblo Distribution Center.

Q. (k) What is the rental per square foot?

A. The rental per square foot for the addition is $2.23, excluding utility charges.

Q. (l) What is the reason for a 400 percent increase .

A. The location of the new building is such that it will command a higher rent. However, the increased rental costs will be offset by other cost decreases and increased efficiency.

Q. (m) Does the item "Laurel" warehouse indicate 180 or 480 square feet?

A. The Laurel facility is projected at 380,000 square feet ultimately.

Q. (n) Why is the cost an exorbitant $840,000?

A. The cost per square foot averages $2.21 which is competitive.

Q. (o) Why is the request for an approximate 33 percent increase in this item?

A. The increase is due to the 1975 estimate being for less than a full year while the 1976 estimate is for 1 full year.

Q. (p) Please supply a list of the square foot rental of those facilities listed on page 34 and to which agency the rental is paid.

A. See attachment H.

ATTACHMENT H

DOCUMENTS LIST OF RENTAL FACILITIES AND SQUARE FOOTAGE, FISCAL YEAR 1975 AND 1976

	Square footage	
	July 1, 1974	June 30, 1976
Facilities:		
1111 North Capital (6 months fiscal year 1975)..... Jack Stone & Cyrus Katzen D/B/A Eleven Eleven Limited Partnership 6031 Leesburg Pike Baileys Crossroad, Virginia 22041	166,536	.....
Farrington Avenue (6 months fiscal year 1976)..... H. L. Rust Company 1001 15th Street Washington, D.C. 20005	100,000	.....
Eisenhower I..... The Carey Winston Company 4350 East-West Highway Bethesda, Md. 20014		36,700
Eisenhower II..... The Carey Winston Company 4830 East-West Highway Bethesda, Md. 20014		56,550
Pueblo Distribution Center..... Public Building Service General Services Administration Washington, D.C. 20405	19,800	53,800
Pueblo Army Depot (3 months fiscal year 1976)..... Treasurer of the United States Acct. of J. F. Cravens, D. O. Symbol 5018—Pueblo Army Depot Pueblo, Colorado 83001	40,000	.....
Laurel Warehouse..... Laurel Business Center Suite 150 Quadrangle West P.O. Box 5381 Baltimore Md. 21209	180,000	380,000
Union Center Plaza (Offices)..... Union Center Plaza, Association Suite 505 1828 L Street, N.W. Washington, D.C. 20036		[1] 59,024
Total.....	506,336	586, 074
Bookstores.....	33,539	35,139

[1] For administrative personnel who formerly occupied space in GPO owned buildings.

Q. (q) Please supply in detail all items which come under the heading "Other Services: Overhead Charges."

A. The overhead charges are made up of the general and administrative expenses necessary to operate the GPO complex. Included are expenses for accounting, budgeting, payroll recruiting and other personnel programs, cleaning and maintenance, and other administrative expenses.

Q. (r) Do administrative overhead costs come under this item?

A. Yes.

Q. (s) What were the administrative costs for the years 1970 through estimated 1976?

ADMINISTRATIVE EXPENSES

Fiscal years:	*Actual*
1970	$1,705,000
1971	1,841,000
1972	2,960,000
1973	4,631,000
1974	4,855,000
1975 (estimate)	3,687,000
1976 (estimate)	3,550,000

Q. (t) Why does the account "Overhead Charges" warrant an increase of $1,328,600?

A. The 1975 request was substantially underestimated and our current 1975 estimate is $3.6 million.

Q. (u) What reorganization of Documents took place and where were they relocated and when?

A. In July 1974 Documents was reorganized and realigned in order to coincide with program responsibilities outlined in title 44, U.S. Code.

In December 1974 the office staffs were moved from the Central Office of the GPO to Union Plaza an office building 1 block away.

In November 1974 the Library and Statutory Distribution Service was moved from the Central Office to the Eisenhower Complex, Alexandria, Va.

Q. (v) Please supply for the Record detailed explanations with a breakdown of costs for the items:

Computer services, $1 million requested. Systems study, $200,000 requested. Engineering charges, $295,000 requested. Training, $7,000 requested.

A. Computer services include the reference file of publications, $50,000; the control of deposit accounts, $100,000; publication inventory control systems, $430,000; control of publication shipped to depository libraries, $80,000; and the production of labels for the distribution of publications required by law, the depository library program, and for subscription sales, $340,000.

Systems study, $200,000 estimated is for mail list conversions and order processing systems development.

Engineering costs include $95,000 for the maintenance and repair of buildings and $200,000 for relocation in conjunction with the move to the new warehouse facility at Laurel and the installation of an order-filling conveyor system at the facility.

Training costs is estimated at $7,000 and is for sending employees to various training courses.

Q. (w) In the fiscal year 1975 justifications the 1974 estimate for equipment was $834,000 plus $2 million as a nonrecurring item. The 1976 justifications requests for 1976 totals $1.6 million after deducting $1.2 million of the previous years nonrecurring equipment. Where in the justifications is the remaining $800,000 reflected?

A. Our 1976 justification is based upon comparisons of 1976 with 1975. It should be noted that the 1976 figure includes $834,000 for regular equipment plus an additional $800,000 for special nonrecurring items associated with the new warehouse facilities.

Q. (x) Why is this request 100 percent greater in 1976 over 1974?

A. Primarily a result of planned new equipment for the new Laurel and Pueblo warehouse facilities.

[CLERK'S NOTE: The following letter has been inserted in the record at this point at the direction of the chairman:]

AMERICAN LIBRARY ASSOCIATION

110 MARYLAND AVENUE, N. E., WASHINGTON, D. C. 20002 - (202) 547-4440

April 25, 1975

Dear Senator Hollings:

On behalf of the American Library Association, I should like to request that this letter be made a part of the hearing record on FY 1976 appropriations for the Government Printing Office.

The American Library Association urges the Legislative Appropriations Subcommittee to include adequate funding for the Government Printing Office, and particularly for GPO's Office of Superintendent of Documents. The Association has worked cooperatively and productively with the Public Printer for many years. Through the Advisory Council to the Public Printer for Depository Libraries, which was recently reconstituted by the present Public Printer, representatives of the Association advise and assist the Public Printer with respect to administration of the depository library program. The Advisory Council has made recommendations concerning the establishment of standards for depository libraries, improved bibliographic handling of GPO publications, improved communications between the Office of the Superintendent of Documents and libraries throughout the country, and other matters. The Public Printer has shown willingness to implement some of the Advisory Council's recommendations, and has taken some steps to improve the service GPO provides the public both through the sales program and through the Depository program. Many problems remain, however.

Much work still must be done, to reduce backlogs, to improve the system of distributing documents to the depository libraries, and to serve all GPO customers in a more timely and responsive fashion. The following quotation from a university librarian in New Jersey sums up some of the problems:

> "GPO services are found to be unsatisfactory due to (1) extensive time lags in receipt of vital journals, for example, the Monthly Labor Review, Consumer Price Index, Survey of Current Business, etc., (2) reduction in number of House and Senate reports being supplied to depository libraries, (3) time lag in receipt of ordered materials, (4) failure to supply all issues of depository periodicals and subsequent inability to purchase missing issues because stocks are depleted."

We request the Committee to provide sufficient funding for the Office of Superintendent of Documents so that the service can be substantially improved -- not only for depository libraries but for libraries and other customers who purchase publications from GPO. These problems of backlog and poor service have persisted for many years now, and they have many adverse effects on libraries, which in turn are simply unable to provide their patrons with needed information When they are unable to get copies of government publications on time or in some cases ever.

Government publications are a major resource in thousands of public, academic, research, and special libraries throughout the country. They provide in many instances information that can be found nowhere else. Because government publications are such an unique and rich source of information, many libraries have specially trained documents librarians on their staffs, experts in interpreting government documents.

The Government Printing Office sells some 78 million copies of government publications in a year's time. Many of these are purchased by libraries for the use of their patrons. The steep price increases instituted by GPO in 1973, which averaged 73 percent across the board, forced libraries to cut back on the number of government publications they were able to purchase. Additional 10-20 percent price hikes in 1974 have added to the problems of libraries.

Postal costs are a major factor in GPO's recent price increases, and we note that this increased cost has been passed directly on to the consumer, such as the high school or college library which purchases documents for its students and

faculty, or the public library purchasing publications for its community. The libraries in turn cannot pass these increased costs on to their customers, for libraries do not charge for their services.

The Public Printer has suggested that some discount might be in order for special groups of customers such as schools and libraries, and we would heartily endorse this suggestion. We urge the Committee to consider the impact of GPO's prices upon the public, and to make sufficient funds available so that GPO's own increased costs are not passed on to such customers as libraries which have no recourse themselves but to cut back on the publications they purchase, thus cutting back also on the availability of information to the public.

Preliminary results of a survey of 307 libraries in New Jersey conducted by Rutgers University Graduate School of Library Service highlight many problems that continue to exist between libraries and the Government Printing Office. Public libraries, county libraries, high school libraries, and colleges and universities were included in the survey -- both depository and non-depository libraries. The following quotations illustrate some of the negative effects of high prices and poor customer relations at the Government Printing Office:

A high school library commenting on price increases: "We may well have to drop the Congressional Directory. We order pamphlets of various sorts for teaching supplements. Now we will not be able to order them as freely."

A college library: "Government publications are valuable for our collection but increasing costs restrain our purchase power. We have had to eliminate all but periodicals and some standing orders."

A small public library: "The new prices are too expensive for small libraries. I had hoped to purchase Area Handbooks of Foreign Countries, more prints suitable for displays, and some of the historical books for our bicentennial collection, but now am unable to do so."

A county library: "When we deal with the Public Documents Distribution Center in Philadelphia, service is generally good. However, dealing with the Superintendent of Documents in Washington can be a very frustrating experience. It takes forever to receive materials and when they do come, they are incomplete or wrong items have been shipped. Correspondence is often not answered and when it is, it is sometimes a confusion of abbreviations and marks that make little or no sense."

A high school library: "Buying from GPO is difficult for schools since the Superintendent of Documents requires prepayment, a most difficult procedure under our school's requisition system."

A public library: "We still wish shipments were a little faster and the GPO hadn't decided to eliminate the individual price lists. These lists were most helpful to all patrons interested in specific subjects."

The Association requests the Subcommittee, too, to provide appropriations to the Office of Superintendent of Documents to implement the program of bringing more non-GPO government publications into the depository program. This was authorized by the 1962 Depository Library Act, but lack of funds has prevented this "non-GPO" section of the law from being implemented to any significant extent.

In conclusion, we very much appreciate the opportunity to present the views of the American Library Association on FY 1976 appropriations for GPO's Office of Superintendent of Documents.

Sincerely,

Eileen Cooke

Eileen D. Cooke
Director
ALA Washington Office

Senator HOLLINGS. Do you wish to add anything further, Mr. McCormick?

Mr. MCCORMICK. No, sir.

Senator HOLLINGS. We shall await that material that you promised for the record. We appreciate you and your associates' appearance here this afternoon. The justification will be printed at this point in the record. Thank you very much.

Mr. MCCORMICK. Thank you very much.

[The justification follows:]

Justification

U.S. GOVERNMENT PRINTING OFFICE—SUMMARY OF APPROPRIATIONS REQUESTED

[In thousands of dollars]

	Fiscal year 1975		Fiscal year 1976 requested
	Requested	Approved	
Congressional printing and binding	$88,136	$80,000	$108,500
Superintendent of Documents	36,078	36,000	36,808
Site acquisition and building design	15,500		15,500
Additional working capital—revolving fund	12,000	12,000	
Supplemental—Environmental Impact Study		300	
Total	151,714	128,300	160,808

FEDERAL FUNDS

General and special funds:

PRINTING AND BINDING

For authorized printing and binding for the Congress; for printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U.S.C. 902); printing, binding, and distribution of the Federal Register (including the Code of Federal Regulations) as authorized by law (44 U.S.C. 1509, 1510); and printing and binding of Government publications authorized by law to be distributed without charge to the recipients; [$80,000,000] *$108,500,000: Provided*, That this appropriation shall not be available for printing and binding part 2 of the annual report of the Secretary of Agriculture (known as the Yearbook of Agriculture): *Provided further*, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years.

For "Printing and binding" for the period July 1, 1976, through September 30, 1976, $27,125,000. (Legislative Branch Appropriation Act, 1975.)

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

For necessary expenses of the Office of Superintendent of Documents, including compensation of all employees in accordance with the provisions of 44 U.S.C. 305; travel expenses (not to exceed $88,300): *Provided*, That expenditures in connection with travel expenses of the Depository Library [Advisory] Council *to the Public Printer* shall be deemed necessary to carry out the provisions of

chapter 19 of title 44, United States Code; price lists and bibliographies; repairs to buildings, elevators, and machinery; and supplying books to depository libraries; [$36,000,000] *$36,808,000: Provided,* That [$222,000] *$300,000* of this appropriation shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665), with the approval of the Public Printer, only to the extent necessary to provide for expenses (excluding permanent personal services) for workload increases not anticipated in the budget estimates and which cannot be provided for by normal budgetary adjustments.

For "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, $9,202,000. (Legislative Branch Appropriation Act, 1975.)

ACQUISITION OF SITE AND GENERAL PLANS AND DESIGNS OF BUILDINGS

For necessary expenses for acquisition of site, and general plans and designs of building for the Government Printing Office, $15,500,000, to remain available until expended, and to be available for transfer to the General Services Administration.

[ENVIRONMENTAL IMPACT STUDY ON THE RELOCATION OF THE GOVERNMENT PRINTING OFFICE]

[For expenses necessary to prepare a detailed environmental impact statement for the Government Printing Office, $300,000, to remain available until expended, and to be available for transfer to the General Services Administration.] *(Supplemental Appropriations Act, 1975.)*

GOVERNMENT PRINTING OFFICE REVOLVING FUND

[For payment to the "Government Printing Office revolving fund", $12,000,000, to remain available until expended, to provide additional working capital necessary for the support of normal operation of the revolving fund.]

The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs and purposes set forth in the budget for the current fiscal year for the "Government Printing Office revolving fund": *Provided,* That not to exceed $3,500 may be expended on the certification of the Public Printer in connection with special studies of governmental printing, binding, and distribution practices and procedures: *Provided further,* That during the current fiscal year the revolving fund shall be available for the hire of two passenger motor vehicles and the purchase of one passenger motor vehicle.

The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs and purposes set forth in the budget for the period July 1, 1976, through September 30, 1976, for the "Government Printing Office revolving fund": Provided, That not to exceed $875 may be expended on the certification of the Public Printer in connection with special studies of governmental printing, binding, and distribution practices and procedures: Provided further, That during the period July 1, 1976, through September 30, 1976, the revolving fund shall be available for the hire of two passenger motor vehicles and the purchase of one passenger motor vehicle. (Legislative Branch Appropriation Act, 1975.)

General Statement of the Public Printer

Mr. Chairman and members of the Committee:

VOLUME OF PRINTING AND BINDING

During fiscal year 1974, the total revenue from printing and binding operations of the Government Printing Office amounted to over $366 million. This was $74 million, or 25 percent higher than the record-setting fiscal year 1973, when the dollar volume was $292 million. Our procurement of printing and binding from commercial sources also continues to increase and amounted to $222 million which represents 64 percent of the total printing and binding requests in 1974 as compared with $108 million, only 51 percent, in 1971. During the first 6 months of fiscal year 1975, commercially procured work amounted to $155 million, 70 percent of the total printing and binding revenue. We expect fiscal year 1976 total revenue from printing and binding operations to aggregate $605 million.

REVISED PRINTING AND BINDING COSTS FOR 1975

Revenue from printing and binding operations and associated costs for fiscal year 1975 are greater than originally anticipated. Based on experience during the first half of fiscal year 1975, we have refined the estimates submitted to the Office of Management and Budget. We now expect that fiscal year 1975 operations will be $492 million. This is an increase of $31 million from our estimate of last year and is primarily the result of greater than expected commercial procurement activity.

VOLUNTARY REDUCTION

The estimate for the S. & E. appropriation to support Documents programs has been revised and decreased by $168,000 from the $37 million estimate submitted to OMB. This reduction is the result of more accurate estimates based upon experience thus far for fiscal year 1975.

BUDGET REQUEST FOR 1976

The total funds requested this year for all programs aggregate $160.8 million—$108.5 million for congressional printing and binding, $36.8 million for Documents, and $15.5 million for site acquisition and general plans and design for a new GPO central office facility.

DEFERRAL OF BUILDING SITE ACQUISITION

The need for a more cost-effective facility has long been recognized and a minimum annual savings in excess of $10 million will result from such a new facility. The necessary prospectus has recently been submitted to the Joint Committee on Printing for its review and submission to the Public Works Committees of the House and Senate. Since we have not yet received the necessary authorizations from these committees, the request for $15.5 million will be withdrawn; however, if you wish, I am prepared to discuss it.

CONGRESSIONAL PRINTING AND BINDING

Of the total amount of $108.5 million for congressional printing and binding for fiscal year 1976, $85.1 million is the estimated requirement for the Congressional Record, hearings, bills, resolutions, Federal Register, and other congressional printing and binding to be ordered in fiscal year 1976. The $85.1 million is an increase of $11.1 million over the current estimate for fiscal year 1975. This increase is principally the result of anticipated increases in physical volume and labor rates. The remaining $23.4 million of our appropriation is to provide funds for prior years' deficiencies, to pay obligations incurred for similar purposes in preceding fiscal years—again primarily the result of greater than estimated physical volume.

CONGRESSIONAL RECORD AND FEDERAL REGISTER VOLUME

The Congressional Record and Federal Register totaled 82,106 daily pages in fiscal year 1974, as compared with 68,998 pages in fiscal year 1973, an increase of 19 percent. It is estimated that these two publications will aggregate 86,000 daily pages in 1975, and 114,000 in 1976, an increase of 33 percent for the year and 65 percent for the 3-year period. This same pattern of increase is reflected in varying degrees for almost all categories of congressional work and has taxed our facilities during peak periods.

OPTICAL CHARACTER READING EQUIPMENT

Fortunately our modernization efforts during the past year included the installation of an optical character reader/text processing system. This system will initially be focused on congressional work. The OCR equipment interfaces with a text editing module employing a special purpose computer. The text processing system provides capabilities for copy editing, updating, and data retrieval from storage through the use of special purpose video display terminals.

OCR manuscript copy prepared in scannable face on a standard typewriter, submitted by congressional committees or agencies, is processed through the system and the information is stored in machine readable form. The scanner is fast enough to permit processing the work of about 20 full-time typists. Proofreading and all corrections are made by operators at video display terminals. The corrected file is then processed by computer which develops a magnetic tape to drive a photocomposer. This system will provide more timely service and permit GPO to handle a greater volume of typesetting more effectively.

In addition, significant cost savings are being realized from this faster and more accurate process. For example, the Congressional Biweekly History of Bills, previously set in hot metal, is being produced on this new system. Savings in excess of $25,000 annually are anticipated in the production of the biweekly issues and the annual bound version of the History of Bills. Another example, congressional hearings, several of which have already been produced on this system, indicate that cost reductions in excess of 12 percent will be realized. A 1,000-page hearing under conventional methods would cost about

$41,000; however, on this new system, the cost will be about $36,000. Additional savings, faster turn-around, and greater productivity will be possible when congressional committees and agencies submit manuscript copy prepared for scanning.

NEW OFFSET PRESSES

In addition to the new OCR/text processing system, other improvements have been made to decrease turn-around time and reduce costs. Two new 43″×60″ offset presses, replacing obsolete equipment, were placed in operation last fiscal year. Six new 19″×25″ offset presses replaced older equipment during this fiscal year. Many congressional publications have been converted to the adhesive binder with an increase in productivity, lower cost, and a better product.

FOUR NEW PRESSES FOR ENROLLED BILLS

Four new presses were purchased and placed in operation to produce enrolled bills.

PASSPORTS

There have been improvements in other areas not affecting congressional printing. Worthy of mention is the installation of an automatic gathering, sewing, and folding machine which is used to manufacture the U.S. passports. A major increase in productivity has been realized and total production is greater than was anticipated.

COMMITTEE CALENDARS

Working with the House Information Systems, our electronic photocomposition operation produced 17,361 production pages (negatives) of committee calendars in 1974. At present there are 13 House committees producing their calendars utilizing the Linotron photocomposer. There are six committees that are scheduled to go on the system in calendar year 1975.

DISTRIBUTION AND SALE OF PUBLICATIONS

The fiscal year 1976 request for programs associated with the distribution and sales of Government documents totals $36.8 million, a decrease of $82,000 from the 1975 appropriation. The volume of publications sold is expected to increase from 83 million in 1974 to 86 million in 1976.

DECREASE IN COMPLAINTS

Improvements have been made in order processing procedures and our level of daily complaints has decreased 20 percent from that of fiscal year 1973.

INCREASE IN BACKLOGS

Sales program backlogs have grown slightly in recent weeks due to increased orders and operational disruptions resulting from relocation to new office and warehouse space.

The Library and Statutory Distribution Service has moved from the GPO central office to leased space in Alexandria, Va. The increase in space and centralization of these activities have resulted in increased productivity and the backlogs are decreasing significantly.

PUBLICATIONS PRICING

During recent months, principally because of our price increases, the manner in which Government publications are priced for sale to the general public became the subject of considerable discussion. Historically, the pricing philosophy for these publications has been that the total revenue from sales to the general public should exceed the total sales program costs without regard to the method of financing. That is, the revenue should exceed the total of the cost of printing, binding, postage, and other publications costs which are financed from the proceeds of the sales of the publications, as well as the distribution and other costs which are financed from appropriation funds. Some believe that this philosophy was changed. This historical pricing philosophy has not changed and is still being followed, and that fact was confirmed by a report issued by the General Accounting Office on November 19, 1974. (See "Pricing of Publications Sold to the Public"—B–114829 dated November 19, 1974.)

Unfortunately, due to the rapid escalation in inflation and the almost overnight tripling of postage costs, we were unable to keep our prices ahead of costs and, as a result, while our philosophy remained unchanged, we, in fact, deposited into the miscellaneous receipts of the Treasury less revenue from the sales program than the program costs. I have termed this turn of events as being unfortunate. There are others, however, who believe this to be both meet and proper. They appear to hold the view that the costs financed by appropriated funds are intended to be subsidized and should not be passed on to the general public as part of the sales price. The General Accounting Office report, for example, suggests a subsidy as a possible alternative to present policy.

In my opinion, our present philosophy is appropriate in the vast majority of cases, and we should continue to follow it to the extent feasible. If any subsidy is appropriated, it should be only for selected publications and the subsidy money should be appropriated to the agency which originates the publication. The agency is in a far better position than we are to defend and justify to the Appropriations Committee the need for a subsidy of any given publication issued in furtherance of its programs. This method would also place the cost against the agency's program rather than having it buried in GPO's appropriation.

Another factor for consideration is the existence of special groups of customers, such as schools and libraries, where possibly some discount should be considered.

I believe that the present legislation is broad enough to allow the Public Printer to follow the clear nonconflicting dictates of the Appropriations Committees of the Congress without the need for a change in the basic legislation.

SUBSIDY FOR SPECIAL SALES PROGRAM

In this connection, there are certain publications over which the Public Printer does not have complete authority to establish selling prices and many of these publications are not self-sustaining and tend to distort the results of the total sales program. Therefore, I have removed them from the general sales program and placed them in a special category. If you concur with my action and appropriate the necessary funds, a form of subsidy will have been accomplished for the particular publications.

The Federal Register publications represent the major dollar amounts in the special sales program. At a recent meeting of the Administrative Committee of the Federal Register, which among other things has pricing responsibility for the Federal Register and related publications, it was agreed that the annual subscription rate for the Federal Register would be increased from $45 to $50 per year. This increase will not fully recover the annual costs associated with the Federal Register and the difference must be made up from appropriated funds.

In addition to the Federal Register price increase, the committee adopted a two-tier pricing schedule for the Weekly Compilation of Presidential Documents: first class mailing $30 per year; nonpriority mailing $15 per year. Currently the price is $15 per year and all copies are mailed first class.

It is our intent that only those publications included in the special sales program category should be subsidized. Therefore, the general sales program publications will be priced in accordance with the philosophy previously discussed unless the Appropriation Committees indicate an intent to subsidize additional publications or cost elements.

PUBLICATION RECEIPT AND CONTROL SYSTEM

In 1973, a systems task force was established to design electronic data processing systems relating to the documents area. Their research and fact finding substantiated the impression that the present manual systems of bulk publication inventory control and order processing were no longer suitable to handle current volumes in a timely manner. A computerized bulk publication receipt and control system was designed and is now operating parallel with the manual system. Full implementation should be completed by mid-May 1975.

The publication receipt and control system is an online, interactive data base, computerized teleprocessing system designed to automate the inventory control of the approximately 25,000 titles of bulk warehoused publications. It should track bulk publications from the time a printing order is initiated through warehouse receiving, locating, and subsequent shipping in response to orders from the forward units for retail order processing. This system will improve the speed, accuracy, and control of the bulk inventory processing.

I would like to submit, for the record, more detailed supporting data and justification for the appropriation requests for fiscal year 1976.

That concludes my general statement and I would be happy to answer your questions.

PRINTING AND BINDING

For authorized printing and binding for the Congress; for printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U.S.C. 902); printing, binding, and distribution of the Federal Register (including the Code of Federal Regulations) as authorized by law (44 U.S.C. 1509, 1510); and printing and binding of Government publications authorized by law to be distributed without charge to the recipients; [$80,000,000] *$108,500,000: Provided*, That this appropriation shall not be available for printing and binding part 2 of the annual report of the Secretary of Agriculture (known as the Yearbook of Agriculture): *Provided further*, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years.

For "Printing and binding" for the period July 1, 1976, through September 30, 1976, $27,125,000. (Legislative Branch Appropriation Act, 1975.)

SUMMARY OF APPROPRIATION ESTIMATES FOR CONGRESSIONAL PRINTING AND BINDING, FISCAL YEAR 1976

The estimates for congressional printing and binding are to provide funds with which to pay for the cost of printing and binding required for the use of Congress; for the printing, binding, and distribution of the Federal Register, and for printing and binding the Code of Federal Regulations.

Funds to cover the cost of the printing and binding needs of the various executive and legislative departments, independent establishments, and the judiciary are not included in this appropriation but are provided for in the appropriation acts for these branches of the Government. The Government Printing Office recovers the cost for this work through billings to these agencies.

The total amount estimated for congressional printing and binding for fiscal year 1976 is $108.5 million compared to $80 million appropriated last year, $85.1 million is estimated to provide for printing and binding work for Congress for fiscal year 1976 and $14.5 million is required to reimburse the 1975 appropriation for charges incurred for fiscal years 1973 and 1974 work which were paid out of the 1975 appropriation, as authorized by law (Public Law 93–371) which states the appropriation "shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years." This provision of law recognizes that there can be no effective means to determine in advance the volume of congressional printing which the Government Printing Office is called upon to produce. Also included is $8.9 million for an anticipated fiscal year 1975 deficit.

The appropriation for fiscal year 1973 is $52.5 million. There is still a deficit of $1.8 million for fiscal year 1973 which is included in the total estimated requirements for fiscal year 1976 bringing the total requirements for fiscal year 1973 to $54.3 million.

The appropriation for congressional printing and binding for fiscal year 1974 is $49.2 million. There is an anticipated deficit of $12.7 million for fiscal year 1974 which is included in the total estimated requirements for fiscal year 1976 bringing the total estimated requirements for fiscal year 1974 to $61.9 million.

The appropriation for congressional printing and binding for fiscal year 1975 is $65 million plus $14.9 million to cover deficits incurred in fiscal years 1971 and 1973 for a total of $80 million. There is an anticipated deficit of $8.9 million for fiscal year 1975 which is included in the total estimated requirements for fiscal year 1976 bringing the total estimated requirements for fiscal year 1975 to $74 million.

The following statement has been prepared showing:

1. Fiscal year 1973 expenditures billed through September 30, 1974.
2. Estimated outstanding obligations for fiscal year 1973, as of September 30, 1974.

3. Estimated expenditures for fiscal year 1973.
4. Fiscal year 1974 expenditures billed through September 30, 1974.
5. Estimated outstanding obligations for fiscal year 1974, as of September 30, 1974.
6. Estimated expenditures for fiscal year 1974.
7. Revised estimated expenditures for fiscal year 1975.
8. Estimated expenditures for fiscal year 1976.
9. Estimated deficiency for fiscal year 1973.
10. Estimated deficiency for fiscal year 1974.
11. Estimated deficiency for fiscal year 1975.
12. Total estimated requirements for fiscal year 1976.

CONGRESSIONAL PRINTING AND BINDING STATEMENT OF EXPENDITURES FOR FISCAL YEARS 1973 AND 1974 BILLED THROUGH SEPT. 30, 5974; ESTIMATED OUTSTANDING FISCAL YEARS 1973 AND 1974 OBLIGATIONS AS OF SEPT. 30, 1974; ESTIMATED EXPENDITURES FOR FISCAL YEARS 1973, 1974, 1975, AND 1976; ESTIMATED DEFICIENCIES FOR FISCAL YEARS 1973, 1974, AND 1975; TOTAL ESTIMATED REQUIREMENTS FOR FISCAL YEAR 1976

	Total estimated requirements, fiscal year 1973			Total estimated requirements, fiscal year 1974				Total estimated requirements, fiscal year 1976				
	Expenditures billed through Sept. 30, 1974	Outstanding obligations as of Sept. 30, 1974	Estimated expenditures 1973	Expenditures billed through Sept. 30, 1974	Outstanding obligations as of Sept. 30, 1974	Estimated expenditures 1974	Revised estimated expenditures 1975	Estimated expenditures 1976	Estimated deficiency 1973	Estimated deficiency 1974	Estimated deficiency 1975	Total estimated requirements 1976
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1. Congressional Record	$8,685,726	$100,000	$8,785,726	$7,905,310	$2,494,690	$10,400,000	$12,000,000	$14,586,000	$100,000	$400,000	$880,000	$15,966,000
2. Miscellaneous publications	6,741,892	1,018,950	7,760,842	5,676,387	2,323,613	8,000,000	8,024,000	9,100,000	303,171	2,800,000	1,584,000	13,787,171
3. Miscellaneous printing and binding	4,119,866	7,300	4,127,166	3,938,000	----------	3,938,000	4,806,000	4,720,000	9,355	1,171,571	----------	5,900,926
3. Details to Congress	2,899,254	----------	2,899,254	3,908,000	----------	3,908,000	4,260,000	4,686,000	----------	1,074,429	587,750	6,348,179
4. Publications for International Exchange	325,611	313,581	639,192	267,870	341,130	609,000	408,000	442,200	328,861	259,000	----------	1,030,061
5. Franked envelopes and document franks	638,554	204	638,758	742,967	33	743,000	798,000	840,500	----------	----------	1,000	841,500
6. House and Senate committee and business calendars	1,393,323	----------	1,393,323	1,458,103	1,897	1,460,000	1,536,000	1,680,000	----------	110,000	----------	1,790,000
7. Bills, resolutions, and amendments	5,705,436	37,500	5,742,936	6,271,117	84,883	6,356,000	8,077,000	8,325,000	----------	656,000	1,077,000	10,058,000
8. Committee reports	1,617,715	----------	1,617,715	1,823,950	76,050	1,900,000	2,340,000	2,640,000	24,888	----------	660,000	3,324,888
9. Documents	2,015,806	6,229	2,022,035	1,626,9[illegible]	373,002	2,000,000	2,280,000	2,520,000	601,137	550,000	755,000	4,426,137
10. Hearings	11,925,706	164,688	12,090,394	11,038,571	3,414,429	14,453,000	17,630,000	20,250,000	347,429	3,459,000	1,485,400	25,541,169
11. Federal Register, U.S. Government Manual, Public Papers of the Presidents, and Weekly Compilation of Presidential Documents	4,495,004	----------	4,495,004	5,514,940	218,060	5,733,000	9,351,000	12,206,300	----------	1,740,000	1,823,850	15,770,150
12. Code of Federal Regulations	2,037,655	----------	2,037,655	1,389,691	1,010,309	2,400,000	2,442,000	3,075,000	35,159	480,000	----------	3,590,559
Total	52,601,548	1,648,452	54,300,000	51,561,904	10,338,096	61,900,000	74,000,000	85,100,000	1,800,000	12,700,000	8,900,000	108,500,000

The requirements under each item for the fiscal year 1976 are set forth briefly in the order named. All fiscal year 1973 and fiscal year 1974 figures in the following items are based on work billed through September 30, 1974.

1. *Congressional Record.*—The proceedings of the Senate and House of Representatives are printed daily in the Congressional Record. Approximately 40,800 copies are printed daily and distributed as provided by law (44 U.S.C. 906), and are charged to the appropriation for printing and binding for Congress. There also are printed daily about 8,600 additional copies which are delivered and charged to Government departments on requisitions and to the Superintendent of Documents for sale to subscribers. After the close of each session, the daily proceedings are consolidated, indexed, and about 2,500 copies printed as the bound edition of the Record. About 1,500 of these sets are distributed to departments, depository libraries, and public sales. The total cost to Congress for printing the daily edition and index of the Congressional Record in fiscal year 1973 was $6,685,726 for 38,534 pages of the daily edition and 2,299 pages of the index. The bound edition which was ordered in fiscal year 1973 and is still in production is estimated at $2.1 million. This will bring the total estimated requirements for this item to $8,785,726 for fiscal year 1973. Total costs for printing the daily edition and index of the Congressional Record in fiscal year 1974 was $7,905,310 for 45,195 pages of the daily edition and 2,685 index pages. The bound edition for fiscal year 1974 is still in production and is estimated at $2.5 million, for a total estimated requirement of $10,400,000. The revised estimate submitted for fiscal year 1975 is $12 million for approximatey 46,000 pages. It is estimated there will be 51,000 pages in fiscal year 1976, and the cost will be $14,586,000.

2. *Miscellaneous publications.*—This item includes printed matter such as the Congressional Directory, Senate and House Journals, memorial addresses of Members, nominations, United States Code and supplements, and publications not carrying a document or report number, such as laws, treaties, committee prints, and similar publications.

The expenditures for miscellaneous publications for fiscal year 1973 were $6,741,892 for 4,252,832 copies, making 146,914 pages and included all work billed through September 30, 1974. It has been estimated that the incompleted orders will amount to $1,018,950. This will bring the requirements for this item to $7,760,842 for fiscal year 1973. In fiscal year 1974 expenditures were $5,676,387 for 4,758,765 copies making 122,394 pages as of September 30, 1974. Incomplete orders are estimated in the amount of $2,323,613; a total requirement of $8 million for fiscal year 1974. The revised amount estimated for fiscal year 1975 is $8,024,000 for approximately 136,000 pages. It is estimated that $9,100,000 will be required in fiscal year 1976 for approximately 140,000 pages.

3. *Details to Congress and miscellaneous printing and binding.*—This item includes letterheads, envelopes, blank paper, copy paper, notices, tags, labels, payrolls, blank books, stenographic notebooks, tablets, wall calendars, miscellaneous blank forms, binding for both Houses, and details to Congress.

The expenditures through September 30, 1974, for miscellaneous printing and binding amounted to $4,119,866 for fiscal year 1973 for 86,070,143 separate units. In addition, $2,899,254 was expended for details to Congress. Incompleted orders estimated at $7,300 will increase this item to $7,026,420 for fiscal year 1973. Fiscal year 1974 expenditures amounted to $3,938,000 for 79,086,465 separate units and details to Congress amounted to $3,908,000 for a total expenditure of $7,846,000. The revised estimate for fiscal year 1975 is $4,260,000 for details to Congress and $4,806,000 for approximately 89 million separate units for a total amount of $9,066,000. The estimate for fiscal year 1976 is $9,406,000; $4,686,000 for details to Congress and $4,720,000 for 80 million units.

4. *Publications for International Exchange and the Library of Congress.*—As provided by law (44 U.S.C. 1718 and 1719), the Library of Congress is supplied with not to exceed 150 copies of Government publications including the daily and bound editions of the Congressional Record and certain other congressional publications of which not to exceed 125 copies shall be for distribution through the Smithsonian Institution to foreign governments which agree to send to the United States similar publications of their governments for delivery to the Library of Congress.

The charges through September 30, 1974 for these publications for fiscal year 1973 orders amounted to $325,611 for 1,390,094 copies. It has been estimated that $313,581 will be required for the remaining outstanding orders resulting in an estimated requirement of $639,192 for fiscal year 1973. In fiscal year 1974,

1,145,864 copies were provided at a cost of $267,870. Outstanding orders are estimated to be $341,130 for an estimated requirement of $609,000. The estimate for fiscal year 1975 is $408,000 for 1,700,000 copies. It is estimated that $442,200 will be needed for about 1,700,000 copies in fiscal year 1976.

5. *Franked envelopes and document franks.*—Franked envelopes for mailing speeches and documents are furnished to Senators and Representatives, who are also furnished with franks for mailing documents, printed singly or in sheets with perforations at the option of the Member.

The expenditures for franked envelopes and document ranks in fiscal year 1973 amount to $638,554 for 85,380,000 envelopes and 4,300,400 franks. It has been estimated that $204 will be necessary for incompleted orders which will bring the requirements for this item to $638,758 for fiscal year 1973. In fiscal year 1974 the expenditures for franked envelopes and document franks amounted to $743,000 for 95,853,380 envelopes and 5,869,100 franks. It is estimated that $798,600 will be required in fiscal year 1975 to print approximately 90 million envelopes and 6.6 million franks. It is estimated that $840,500 will be needed in fiscal year 1976 for approximately 85 million envelopes and 7,250,000 franks.

6. *House and Senate committee and business calendars.*—This heading covers the printing of all House and Senate committee calendars which list the action of the various committees on pending and completed legislation. The House and Senate business calendars are also included in this item.

The expenditures for all House and Senate committee and business calendars for fiscal year 1973 were $1,393,323 for 43,313 pages. Fiscal year 1974 expenditures were $1,458,103 for 52,000 pages. Incomplete orders amount to $1,897 for a total requirement of $1,460,000. The revised estimate for the cost of these calendars in fiscal year 1975 is $1,536,000 for approximately 48,000 pages. It is estimated that $1,680,000 will be required in fiscal year 1976 for approximately 48,000 pages.

7. *Bills, resolutions, and amendments.*—This heading covers the printing of bills, resolutions, and amendments in all forms, including the prints as introduced, referred, reported, and as finally passed.

The expenditures through September 30, 1974, for bills, resolutions, and amendments in fiscal year 1973 amounted to $5,705,436 for 176,256 pages. Incompleted orders estimated at $37,500 will bring this item to $5,742,936 for fiscal year 1973. The expenditures in fiscal year 1974 amounted to $6,271,117 for 174,197 pages. Incomplete orders are estimated to be $48,883 for a total of $6,356,000. The revised estimate submitted for fiscal year 1975 is $8,077,000 for about 197,000 pages. The estimate for fiscal year 1976 is $8,325,000 for approximately 185,000 pages.

8. *Committee reports.*—This item covers printed reports of congressional committees on pending legislation which carry a congressional number.

The expenditures through September 30, 1974 for printing committee reports ordered in fiscal year 1973 were $1,617,715 for 35,264 pages. Fiscal year 1974 expenditures were $1,823,950 for 34,414 pages. The estimate for incompleted orders will amount to $76,050. This increase will bring fiscal year 1974 requirements for this item to $1,900,000. It is estimated that $2,340,000 will be needed for approximately 39,000 pages in fiscal year 1975. It is estimated that $2,640,000 will be needed for about 40,000 pages in fiscal year 1976.

9. *Documents.*—The heading includes all classes of Senate and House documents ordered printed by Congress which carry a congressional number, such as annual reports, engineers' reports, special reports made by Government departments in response to resolutions, supplemental and deficiency estimates of appropriations, et cetera.

The expenditures through September 30, 1974 for House and Senate documents ordered in fiscal year 1973 amounted to $2,015,806 for 34,475 pages. It has been estimated that $6,229 will be required for the remaining outstanding orders resulting in an estimated requirement of $2,022,035 for fiscal year 1973. Fiscal year 1974 expenditures were $1,626,998 for 24,300 pages. The incompleted orders estimated of $373,002 will bring fiscal year 1974 requirements to $2 million. The revised estimate for fiscal year 1975 is $2,280,000 for about 30,000 pages. The estimate for fiscal year 1976 is $2,520,000 for about 30,000 pages.

10. *Hearings.*—This item covers all hearings before congressional committees. The expenditures for hearings in fiscal year 1973 through September 1974 were $11,925,706 for 349,625 pages. Outstanding orders have been estimated at $164,688 resulting in a total requirement of $12,090,394, for this class of work for fiscal year 1973. In fiscal year 1974 the expenditures for hearings amounted to $11,038,-571 for 306,627 pages. An estimate of $3,414,429 for incompleted orders will bring

the requirement for hearings to $14,453,000. The revised estimate for fiscal year 1975 is $17,630,000 for approximately 430,000 pages. The estimate for fiscal year 1976 is $20,250,000 for about 450,000 pages.

11. *Federal Register, including the U.S. Government Manual, the Public Papers of the Presidents of the United States, and the Weekly Compilation of Presidential Documents.*—The Archivist of the United States and the Public Printer are charged with printing and distribution, in a serial publication titled "Federal Register," of documents authorized to be published under the act of July 26, 1935, and the act of June 11, 1946. Funds to cover the cost of printing this publication are provided for in the appropriation for congressional printing and binding. The National Archives and Records Service has been authorized (13 F.R. 5935; 1 CFR, pt. 31) to handle the U.S. Government Manual as a special edition of the Federal Register. On November 6, 1957, the National Archives and Records Service was authorized (22 F.R. 8895; 1 CFR, pt. 32) to begin printing as a special edition of the Federal Register the Public Papers of the Presidents of the United States starting with the calendar year 1957 and specified calendar years prior to 1957 as authorized by the Administrative Committee of the Federal Register. The Weekly Compilation of Presidential Documents, which began publication on August 2, 1965, is published pursuant to the authority contained in the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C., ch 15), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President (1 CFR, pt. 32). The cost of printing the U.S. Government Manual, the Public Papers of the Presidents of the United States, and the Weekly Compilation of Presidential Documents is charged to the cost of printing the Federal Register (sec. 6, 49 Stat. 501; 44 U.S.C. 1506).

The expenditures for the Federal Register for all work ordered in fiscal 1973 amounted to $4,495,004. This included $185,389 for the Weekly Compilation of Presidential Documents, $100,000 for Presidential Papers (Nixon, 1972), and $58,555 for Government Manual. Federal Register work for fiscal year 1974 is estimated to amount to $5,733,000 for 1,379,000 units of the Federal Register, the Weekly Compilation of Presidential Documents, the Presidential Papers (Nixon, 1973, and Hoover, 2 vols.) and the U.S. Government Manual. It is estimated that $9,351,800 will be sufficient to cover the cost of approximately 1,953,000 units of the Federal Register and for printing the U.S. Government Manual, the Weekly Compilation of Presidential Documents, and the Public Papers of the Presidents of the United States in fiscal year 1975. It is estimated that $12,206,300 will be required in fiscal year 1976 for printing and estimated 2,455,000 units of the Federal Register and for printing the U.S. Government Manual, the Weekly Compilation of Presidential Documents, and the Public Papers of the Presidents of the United States as supplemental editions of the Federal Register.

12. *Code of Federal Regulations.*—The cost of printing the Code of Federal Regulations amounted to $2,037,655 for 65,381 pages ordered in fiscal year 1973. Fiscal year 1974 amounted to $1,389,691 for 42,111 pages; incomplete orders estimated at $1,010,309 will increase this item to $2,400,000 for fiscal year 1974. It is estimated that $2,442,000 would be sufficient for printing 66,000 pages during fiscal year 1975. It is estimated that $3,075,000 will be required to print 75,000 pages during fiscal year 1976.

ESTIMATED COST PER UNIT OF PRINTING AND BINDING CHARGEABLE TO THE CONGRESSIONAL APPROPRIATION AS OF SEPT. 30, 1974

	Unit	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
1. Congressional Record program [1]	Daily page	$119.29	$112.67	$148.37	$145.66	$173.76	$171.29	$227.99	$230.00	$260.00	$286.00
1. Bound Record [1]	Bound Record page	27.88	27.45	32.06	33.66	39.08	35.00	49.00	53.87	60.27	66.30
1. Daily [1]	Daily page	83.53	85.51	96.63	106.11	126.02	137.43	165.36	163.41	195.35	220.05
1. Index [1]	Index page	82.85	85.69	95.84	107.55	129.92	141.18	171.87	170.74	192.94	212.23
2. Miscellaneous publications	Page	26.78	32.46	42.71	37.04	48.98	45.44	45.89	52.00	59.00	65.00
3. Miscellaneous printing and binding (excluding details).	1,000 items	26.86	26.14	30.36	26.00	40.90	39.21	45.51	48.00	54.00	59.00
4. International exchange	Copy	.152	.156	.165	.181	.188	.219	.224	.21	.24	.26
5. Franked envelopes	1,000 each	4.16	4.31	4.83	5.05	5.55	5.88	7.07	7.20	8.14	8.95
5. Document franks	do	5.34	5.40	5.28	6.43	6.51	7.50	8.08	9.00	10.00	11.00
6. Calendars	Page	14.99	13.90	17.53	17.03	22.47	23.73	32.17	28.00	32.00	35.00
7. Bills, resolutions, and amendments	do	12.89	15.05	15.18	21.25	26.12	31.88	32.37	36.00	41.00	45.00
8. Reports	do	24.98	31.61	30.33	41.11	43.15	47.69	45.87	53.00	60.00	66.00
9. Documents	do	30.37	24.63	28.69	47.83	40.26	47.96	58.65	67.00	76.00	84.00
10. Hearings	do	21.29	20.80	22.29	22.90	24.80	28.53	34.11	36.00	41.00	43.00
11. Federal Register	1,000 page copies	4.15	4.19	4.40	4.89	5.08	4.15	3.97	3.84	4.34	4.56
11. U.S. Government Manual	Page	39.93	39.44	45.17	50.23	50.95	64.17	70.59	87.00	98.00	108.00
11. Public Papers	do	29.01	36.83	37.95	53.91	54.41	63.66	50.00	87.00	98.00	108.00
11. Weekly Compilation	do	57.25	58.18	63.57	68.45	79.38	90.91	111.75	125.00	141.00	155.00
12. Code of Federal Regulations	do	11.13	10.20	12.79	18.28	21.40	24.69	31.17	33.00	37.00	41.00

[1] Estimated cost per page (type page) for the Congressional Record is converted to cost per page copy as shown in the following schedule expressed in mills.

CONGRESSIONAL RECORD ESTIMATED COST PER PAGE COPY

[In mills]

	Fiscal year—									
	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Congressional Record program	2.8	2.8	3.6	3.5	4.2	4.3	5.6	5.7	6.5	7.1
Daily	2.0	2.1	2.4	2.6	3.0	3.4	4.0	4.1	4.8	5.5
Index	4.8	4.8	5.5	5.9	6.9	7.5	11.7	8.3	9.4	10.3
Bound	14.0	14.1	16.6	17.2	19.8	17.9	23.0	25.1	28.0	30.8

VOLUME INCREASE OR DECREASE BY QUANTITY AND PERCENT, AS OF SEPTEMBER 30, 1974

	Unit	1970	Increase or (decrease)		1971	Increase or (decrease)		1972	Increase or (decrease)	
			Quantity	Percent		Quantity	Percent		Quantity	Percent
1. Congressional Record program	Daily page	47,907	(307)	(0.6)	47,600	3,196	6.7	50,796	(12,262)	(24.1)
1. Bound Record	Bound Record page	47,226	3,611	7.6	50,837	(10,837)	(21.3)	40,000	1,200	3.0
1. Daily	Daily page	47,907	(307)	(0.6)	47,600	3,196	6.7	50,796	(12,262)	(24.1)
1. Index	Index page	2,222	161	7.2	2,383	(128)	(5.4)	2,255	44	2.0
2. Miscellaneous publications	Page	110,159	17,841	16.2	128,000	19,447	15.2	147,447	21,684	14.7
3. Miscellaneous printing and binding (excluding details)	1,000 items	72,632	(3,474)	(4.8)	69,158	1,599	2.3	70,757	19,945	28.2
4. International Exchange	Copy	2,209,945	(82,285)	(3.7)	2,127,660	(301,176)	(14.2)	1,826,484	1,022,516	56.0
5. Franked envelopes	1,000 each	118,589	(7,586)	(6.4)	111,003	(3,293)	(3.0)	107,710	(22,330)	(20.7)
5. Document franks	do	4,938	1,948	39.4	6,886	179	2.6	7,065	(2,765)	(39.1)
6. Calendars	Page	55,906	(1,283)	(2.3)	54,623	(2,205)	(4.0)	52,418	(9,105)	(17.4)
7. Bills, resolutions, and amendments	do	140,932	31,270	22.2	172,202	(33,950)	(19.7)	138,252	39,181	28.3
8. Reports	do	26,757	3,264	12.2	30,021	1,935	6.4	31,956	3,308	10.4
9. Documents	do	26,950	692	2.6	27,642	(2,621)	(9.5)	25,021	9,454	37.8
10. Hearings	do	367,808	(4,905)	(1.3)	362,903	87,117	24.0	450,020	(95,670)	(21.3)
11. Federal Register	1,000 page copies	333,653	91,966	27.6	425,619	265,479	62.4	691,098	352,781	51.1
11. Government Manual	Page	832	(8)	(1.0)	824	(105)	(12.7)	719	131	18.2
11. Public Papers	do	1,232	122	9.9	1,354	53	3.9	1,407	593	42.1
11. Weekly Compilation	do	1,768	217	12.3	1,985	(249)	(12.5)	1,736	(77)	(4.4)
12. Code of Federal Regulations	do	54,089	3,746	6.9	57,835	6,669	11.5	64,504	877	1.4

	Unit	1973	Increase or (decrease)		1974	Increase or (decrease)		1975	Increase or (decrease)		1976
			Quantity	Percent		Quantity	Percent		Quantity	Percent	
1. Congressional Record program	Daily page	38,534	6,661	17.3	45,195	805	1.8	46,000	5,000	10.9	51,000
1. Bound Record	Bound Record page	41,200	4,466	10.8	45,666	(2,866)	6.2	42,800	200	.5	43,000
1. Daily	Daily page	38,534	6,661	17.3	45,195	805	1.8	46,000	5,000	10.9	51,000
1. Index	Index page	2,299	386	16.8	2,685	(435)	(16.2)	2,250			2,250
2. Miscellaneous publications	Page	169,131	(14,131)	(8.4)	155,000	(19,000)	(12.3)	136,000	4,000	2.9	140,000
3. Miscellaneous printing and binding (excluding details).	1,000 items	90,702	(8,319)	(9.2)	82,383	6,617	8.0	89,000	(9,000)	(10.1)	80,000
4. International Exchange	Copy	2,849,000	51,000	1.8	2,900,000	(1,200,000)	(41.4)	1,700,000			1,700,000
5. Franked envelopes	1,000 each	85,380	10,473	12.3	95,853	(5,853)	(6.1)	90,000	(5,000)	(5.6)	85,000
5. Document franks	do	4,300	1,569	36.5	5,869	731	12.5	6,600	650	9.8	7,250
6. Calendars	Page	43,313	8,687	20.1	52,000	(4,000)	(7.7)	48,000			48,000
7. Bills, resolutions, and amendments	do	177,433	1,567	.9	179,000	18,000	10.1	197,000	(12,000)	(6.1)	185,000
8. Reports	do	35,264	736	2.1	36,000	3,000	8.3	39,000	1,000	2.6	40,000
9. Documents	do	34,475	(4,475)	(13.0)	30,000			30,000			30,000
10. Hearings	do	354,350	50,650	14.3	405,000	35,000	6.2	430,000	40,000	9.3	470,000
11. Federal Register	1,000 page copies	1,043,879	335,121	32.1	1,379,000	574,000	41.6	1,953,000	502,000	25.7	2,455,000
11. Government Manual	Page	850	(50)	(5.9)	800	50	6.3	850			850
11. Public Papers	do	2,000	(300)	(15.0)	1,700	2,800	164.7	4,500	500	11.1	5,000
11. Weekly Compilation	do	1,659	36	2.2	1,695	805	47.5	2,500			2,500
12. Code of Federal Regulations	do	65,381	6,619	10.1	72,000	(6,000)	(8.3)	66,000	9,000	13.6	75,000

BILLINGS AND ESTIMATED OUTSTANDING OBLIGATIONS BY CATEGORY AS OF SEPT. 30, 1974

[In millions of dollars]

	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
1. Congressional Record Program	4.5	4.8	4.8	7.0	8.3	8.7	8.8	10.4	12.0	14.6
1. Bound Record	1.1	.9	1.5	1.6	2.0	1.4	2.0	2.5	2.6	2.9
1. Daily	3.2	3.7	3.1	5.1	6.0	7.0	6.4	7.4	9.0	11.2
1. Index	.2	.2	.2	.3	.3	.3	.4	.5	.4	.5
2. Miscellaneous publications	3.3	3.3	4.6	4.2	6.3	6.7	7.8	8.0	8.0	9.1
3. Miscellaneous printing and binding	1.8	1.7	2.0	1.9	2.8	2.7	4.1	3.9	4.8	4.7
3. Details to Congress	.7	.8	.9	1.2	1.6	2.6	2.9	3.9	4.3	4.7
4. International Exchange	.3	.9	1.1	.4	.4	.4	.6	.6	.4	.5
5. Franked envelopes	.6	.6	.6	.6	.6	.6	.6	.6	.7	.7
5. Document franks					.1	.1	.1	.1	.1	.1
6. Calendars	1.0	1.0	.9	1.0	1.2	1.2	1.4	1.5	1.5	1.7
7. Bills, resolutions, and amendments	2.3	1.9	2.1	3.0	4.5	4.4	5.8	6.4	8.1	8.3
8. Reports	.7	.8	.6	1.1	1.3	1.5	1.6	1.9	2.3	2.6
9. Documents	.8	.7	.8	1.3	1.1	1.2	2.0	2.0	2.3	2.5
10. Hearings	5.4	6.0	5.4	8.4	9.0	12.8	12.1	14.5	17.6	20.3
11. Federal Register	1.1	1.3	1.5	1.6	2.2	2.9	4.1	5.3	8.5	11.2
11. U.S. Government Manual							.1	.1	.1	.1
11. Public Papers	.1	.1	.1	.1	.1	.1	.1	.1	.4	.5
11. Weekly compilation	.1	.1	.1	.1	.2	.2	.2	.2	.4	.4
12. Code of Federal Regulations	.6	.5	.7	1.0	1.2	1.6	2.0	2.4	2.5	3.1
Total	23.3	24.5	26.2	32.9	40.9	47.7	54.3	61.9	74.0	85.1
Original Appropriation	18.5	22.0	26.2	27.8	32.0	34.0	39.5	49.2	65.1	
1st Supplemental Appropriation	4.8	2.5		4.0	7.0	13.7	13.0			
2d Supplemental Appropriation				1.1	1.9					
Supplemental Appropriation Request							1.8	12.7	8.9	
Original Appropriation Request										85.1
Total	23.3	24.5	26.2	32.9	40.9	47.7	54.3	61.9	74.0	85.1

CONGRESSIONAL PRINTING AND BINDING BILLINGS AND ESTIMATED OUTSTANDING OBLIGATIONS FOR WORK ORDERED IN FISCAL YEAR AS OF SEPT. 30, 1974

	Billings	Estimated obligations	Total amount
Fiscal year:			
1954	$9,857,159.26	$7,584.77	$9,864,744.03
1955	9,082,158.22	3,200.00	9,085,358.22
1956	10,321,442.51	64,963.36	10,386,405.87
1957	10,076,164.34	23,835.66	10,100,000.00
1958	11,396,586.19	103,413.81	11,500,000.00
1959	11,590,307.57	109,692.43	11,700,000.00
1960	13,210,937.72	189,062.28	13,400,000.00
1961	11,691,476.95	8,523.05	11,700,000.00
1962	14,354,422.19	45,577.81	14,400,000.00
1963	16,296,336.46	103,663.54	16,400,000.00
1964	17,450,595.44	49,404.56	17,500,000.00
1965	18,833,724.26	266,275.74	19,100,000.00
1966	20,500,823.70	1,176.30	20,502,000.00
1967	23,307,238.00	2,762.00	23,310,000.00
1968	23,539,819.39	960,180.61	24,500,000.00
1969	24,032,299.72	2,167,700.28	26,200,000.00
1970	32,873,564.93	26,435.07	32,900,000.00
1971	40,678,156.80	221,843.20	40,900,000.00
1972	47,251,568.00	448,432.00	47,700,000.00
1973	52,601,548.00	1,648,452.00	54,250,000.00
1974	51,561,904.00	10,338,096.00	61,900,000.00
1975	14,792,502.00	59,161,498.00	73,954,000.00

Note: With the inception of the revolving fund accounting system in fiscal year 1954, all billings and obligations for each fiscal year are based on the orders received during the respective fiscal year.

FEDERAL REGISTER

(Including Public Papers of the Presidents, U.S. Government Manual, and Weekly Compilation of Presidential Documents)

Administrative Committee.—Establishment and composition; powers and duties (sec. 1506, title 44, United States Code).

The Administrative Committee of the Federal Register shall consist of the Archivist of the United States or Acting Archivist, who shall be Chairman, an

officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer. The Director of the Federal Register shall act as Secretary of the Committee. The authority of the Administrator of General Services, under section 754 of title 40, to regroup, transfer, and distribute functions within the General Services Administration, does not extend to the Committee or its functions. The Committee shall prescribe, with the approval of the President, regulations for carrying out this chapter. The regulations shall provide, among other things: The manner and form in which the Federal Register shall be printed, reprinted, compiled, indexed, bound and distributed; the number of copies of the Federal Register, which shall be printed, reprinted, and compiled; the number which shall be distributed without charge to Members of Congress, officers and employees of the United States, or Federal agencies, for official use, and the number which shall be available for distribution to the public; and the prices to be charged for individual copies of, and subscriptions to, the Federal Register and reprints and bound volumes of it.

Public Papers of the Presidents

Authority and Distribution.—The following sections of part 32, title 1, chapter 1, of the Code of Federal Regulations pertains to the Public Papers of the Presidents.

Section 32.1 Publication required

There shall be published forthwith at the end of each calendar year, beginning with the year 1957, a special edition of the Federal Register designated "Public Papers of the Presidents of the United States." Each volume shall cover 1 calendar year and shall be identified further by the name of the President and the year covered.

Section 32.2 Coverage of prior years

After conferring with the National Historical Publication Commission with respect to the need therefor, the Administrative Committee may from time to time authorize the publication of similar volumes covering specified calendar years prior to 1957.

Section 32.15 Members of Congress

Each Member of Congress, during his term of office, shall be entitled to one copy of each annual volume published during such term: Provided, that authorization for furnishing such copies shall be submitted in writing to the Director and signed by the authorizing Member.

Section 32.16 The Supreme Court

The Supreme Court of the United States shall be entitled to 12 copies of the annual volume.

Section 32.17 Executive agencies

The head of each department and the head of each independent agency in the executive branch of the Government shall be entitled to one copy of each annual volume upon application therefor in writing to the Director.

The printing of the Public Papers of the Presidents is initiated by requisition from the National Archives and Records Service, General Services Administration. The Truman papers for 1945 through 1952, the Eisenhower papers for 1953 through 1960, the Kennedy papers for 1961 through 1963, the Johnson papers for 1963 through 1969, and the Nixon papers for 1969 through 1972 have been completed (33 volumes in all).

U.S. Government Manual

The U.S. Government Manual is published annually by the Office of the Federal Register, National Archives and Records Service, General Services Administration, as a special edition of the Federal Register pursuant to part 31 of the regulations of the Administrative Committee, approved on March 20, 1959 (24 F.R. 2353; 1 CFR, pt. 31).

Weekly Compilation of Presidential Documents

The Weekly Compilation of Presidential Documents is published every Monday by the Office of the Federal Register and contains statements, messages, and other Presidential materials released by the White House during the preceding

week. Authority to publish this compilation is included in the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C., ch. 15), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President (1 CFR, pt. 32).

Federal Register and the Code of Federal Regulations

Page unit estimates (number of pages), are furnished by the General Services Administration, National Archives and Records Service, Federal Register Division. The estimated number of page units required becomes the basis for preparation of estimated costs of the Federal Register and the Code of Federal Regulations.

1975 AND 1976 WALL CALENDARS ORDERED FROM GOVERNMENT PRINTING OFFICE

Ordered by	Requisition No.	Requisition Date	Number of calendars Large	Small	Total	Cost
Clerk's Office, House of Representatives	4,163	Aug. 2, 1974	190,100	.....	190,100	$140,731
Secretary of the Senate	1,714	Oct. 1, 1974	9,500	1,200	10,700	8,775
Total ordered by House and Senate			199,600	1,200	200,800	149,506

NOTES

Large House calendars, size 12¼ by 18, covers 2 yr 1975 and 1976, are printed with numerals in 2-colors mounted on board, lined with blue paper, and have an illustration showing 4-color panoramic view of Capitol.

Large Senate calendars, size 9 13/16 by 15, covers 1 yr 1975, are printed with single-color numerals, mounted on board, lined with blue paper, and have an illustration showing Senate wing of Capitol.

Small Senate calendars, size 9¼ by 10, covers 1 yr 1975, consist of the calendar portion only, stiched to board.

There are no resources in the fiscal year 1976 budget estimate for House calendars.

Office of Superintendent of Documents

SALARIES AND EXPENSES

For necessary expenses of the Office of Superintendent of Documents, including compensation of all employees in accordance with the provisions of 44 U.S.C. 305; travel expenses (not to exceed $88,300): *Provided*, That expenditures in connection with travel expenses of the Depository Library [Advisory] Council *to the Public Printer* shall be deemed necessary to carry out the provisions of chapter 19 of title 44, United States Code; price lists and bibliographies; repairs to buildings, elevators, and machinery; and supplying books to depository libraries; [$36,000,000] *$36,976,000*: *Provided*, That [$222,000] *$300,000* of this appropriation shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665), with the approval of the Public Printer, only to the extent necessary to provide for expenses (excluding permanent personal services) for workload increases not anticipated in the budget estimates and which cannot be provided for by normal budgetary adjustments.

For "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, $9,244,000. (Legislative Branch Appropriation Act, 1975.)

Statement Supporting 1976 Estimates for Salaries and Expenses, Office of Superintendent of Documents

The four functions of the Office of Superintendent of Documents are:

(1) The sale of Government publications produced by or through the Government Printing Office.

(2) The mailing for members of Congress and other Government agencies of certain Government publications authorized by law.

(3) The distribution of Government publications to designated depository libraries and;

(4) The compilation of catalogs and indexes of Government publications.

These four functions are related to the publication activity of other agencies and consequently, the Superintendent of Documents can exercise little control over the volume of work which he may be called upon to perform. In fiscal year 1974 approximately 83 million publications were sold. It is estimated that sales will reach 84 million publications in fiscal year 1975 and 86 million publications in fiscal year 1976.

In fiscal year 1974 some 52 million publications were distributed for Congress and other Government agencies. In this fiscal year (fiscal year 1975) it is expected that 60 million publications will be distributed and in fiscal year 1976 about 70 million, a 35 percent gain over the 2-year period.

Over 10 million publications were distributed to depository libraries in fiscal year 1974. The estimates for fiscal year 1975 and fiscal year 1976 exceed 12 million annually.

Forty-three thousand catalog and index entries were prepared in fiscal year 1974. It is expected that 46,000 will be handled in fiscal year 1975 and 49,000 in fiscal year 1976, an increase of 15 percent over the 2-year period.

Funds that will be needed in fiscal year 1976 to provide the services required will be $36,808,000, a decrease of $82,000 from the 1975 appropriations.

SALES PROGRAM

The sales program is operated through the mail order operation at the central office, the distribution centers at Pueblo, Colo., and Philadelphia, Pa., 24 bookstores and some 170 consigned agents in other Government agencies.

An analysis of the traditional sales program emphasized the impact of those publications over which the Public Printer does not have complete control in pricing for sale to the public. Some of these publications are not self sustaining and tend to distort the results of the sales program. Accordingly, they have been removed from our general sales program and placed in a special sales program so that the financial reports will show a more accurate picture of actual operations. This special sales program consists primarily of the Congressional Record and Federal Register publications. Our estimate for fiscal year 1976 indicate costs of these special publications will exceed revenues by $4.2 million.

The general sales program includes sales of publications to the public priced in accordance with section 1708 of title 44, United States Code. This section in part states that: "The price at which additional copies of Government publications are offered for sale to the public by the Superintendent of Documents shall be based on the cost as determined by the Public Printer plus 50 percent. Surplus receipts from sales are deposited in the Treasury of the United States to the credit of miscellaneous receipts." More than 90 percent of the sales of publications to the public are sold in accordance with this program.

PRICING FORMULA

Historically, a pricing formula has been used in the Government printing Office which provided that revenue exceeded expenses. However, during the last 3 fiscal years runaway inflation and a tripling of postage costs resulted in losses in the sales programs. In 1973, the pricing formula was revised so that, if regularly adjusted for future increases in the cost of labor, material, and postage, the general sales program would be operating at a break-even rate in late 1975 and show a slight profit in 1976.

GENERAL ACCOUNTING OFFICE RECOMMENDATIONS

The General Accounting Office conducted a review of the pricing policy of GPO. The review states: "Historically, GPO's financial philosophy has been that total revenues should exceed the total sales program costs. Although a different pricing formula was used in August 1973, to arrive at the revised selling prices, the formula was designed to recover the total sales program costs. Consequently, there has not been a major change in the financial philosophy of pricing publications for the sales program."

The report further states: "The committee (Joint Committee on Printing) may wish to consider the impact of increased costs of publications on the public. The major alternatives to the committee are to:

Continue with the current pricing policy of recovering the total sales program costs from revenues. This would mean that cost increases would be passed on to the public by increased selling prices of publications.

Subsidize the cost of publications through appropriations, which would result in lower selling prices. This would require specific legislation stating to what extent the publications are to be subsidized. Also, if the selling prices are to be based on "cost as determined by the Public Printer, section 1708 of title 44 of the United States Code should be amended to more clearly define "cost." Such an amendment would insure a more consistent application of "cost" by the Public Printer."

As pointed out in the general statement, we did not agree that legislation is either necessary or desirable. The solution, if in fact one is required, can be accomplished under the present language. Moreover, periodic adjustments have been made to the price scale to catch up with the increased cost for labor, paper and postage. The latest adjustment was in October 1974, with an increase ranging from 10 to 20 percent. As stated before, it is expected that the general sales program will begin to break even in the final quarter of fiscal year 1975 and will show a profit in fiscal year 1976.

BOOKSTORES

There are currently 18 bookstores outside the Washington, D.C. area and 6 bookstores within the Washington, D.C. area. The stores are located in space provided by GSA and generally in Federal buildings. The rental charge now being applied by GSA has caused us to reevaluate the bookstore program in Federal buildings. We plan to establish a bookstore in a popular metropolitan shopping center to determine if this will generate additional revenue. The funds for stores authorized for and before fiscal year 1974, and which were not established were returned to the Treasury at the end of fiscal year 1974.

DEPOSITORY LIBRARY PROGRAM

The depository library program has continued to grow. The Depository Library Act, as amended, makes provisions for a possible total of 1,390 depository libraries. A total of 1,165 libraries have been designated as depositories. It is estimated that seven additional depositories will be named prior to June 30. It is expected that approximately 40 additional designations will be made during fiscal year 1976 under existing legislation.

Legislation is now pending which, if enacted into law, would increase the number of depository library designations. No funds have been included for the proposed additional libraries. Should the law be enacted, a supplemental appropriation will be required for fiscal year 1976 to provide for the publications that the new depositories elect to receive.

DEPOSITORY LIBRARY DISTRIBUTION SYSTEM

The depository library distribution function has been relocated to the Eisenhower complex. In the relocation, the system has been semiautomated by the installation of a conveyor belt that takes the cartons filled with books to an automatic box sealer for sealing and mailing to depository libraries. This, coupled with other systems improvements has substantially increased our library distribution capability.

PILOT MICROFORM PROJECT

The Joint Committee on Printing has approved the proposed Government Printing Office pilot microform project. The effort will involve 24 depository libraries as user organizations and 26 technical sources to evaluate the results of the pilot project. The 119 volumes of the Code of Federal Regulations will be converted from paper to microfiche and sent to the test libraries for a period of 4 months. Upon conclusion of the test all evaluation reports and an economic analysis will be prepared and forwarded to the Joint Committee on Printing for final determination of further efforts in microform by the Government Printing Office. Initial indications are that, for this publication alone, savings of $300,000 annually will result if 60 percent of the depository libraries utilize microfiche rather than hard copy.

RECOMMENDATIONS OF DEPOSITORY LIBRARY COUNCIL

The Depository Library Council of the Public Printer is composed of 15 librarians of stature, the majority from private, public, and university libraries. They have met twice since our last appearance here, once in New York following the American Library Association Convention and in October at the Government Printing Office. They made recommendations covering four areas:

(*a*) Standards for depository libraries;
(*b*) Inspection criteria for depository libraries;
(*c*) Expanded bibliographic controls for Government documents; and
(*d*) Micropublishing.

These recommendations are under study and some are being implemented, some are under consideration for implementation, but others require changes in laws.

COMMUNICATION PUBLICATIONS

In our continuing efforts to communicate with all librarians, a news publication, "Documents Highlights," is distributed on a bimonthly basis to all depository libraries and other libraries on request. It is a news bulletin which provides an exchange of information between the Government Printing Office and the library community.

The principal publication in the cataloging and indexing program is the "Monthly Catalog of U.S. Government Publications." The monthly catalog is recognized throughout the library community and by students, educators, and researchers as a valuable library and reference tool. Between 1,500 and 1,800 Federal Government publications are indexed and cataloged monthly. Computer techniques are used to compile the monthly catalog. This permits separate indexes for subject, title, and author. Although partially photocomposed at the present time, we expect the entire monthly catalog to be photocomposed in the near future.

MOVE TO NEW OFFICE FACILITIES

The clerical and administrative staff of the Documents Sales Service, and Documents Support Service moved to new office facilities equipped with new furniture and fixtures in December 1974. This move permitted the elimination of night shift work for those activities involved at significant payroll savings. Morale has improved considerably with resultant productivity improvements.

The move to the new building provided the opportunity to expand the answering service for telephone inquiries. In the Government Printing Office buildings, the number of telephone lines were limited. As a part of the move, a new automatic call distributor system was installed, which provides additional lines to serve the public. This will permit more rapid response to telephone inquiries.

WAREHOUSE

Since the appearance before this committee a year ago the lease on the bulk warehouses at 1111 North Capitol Street has been terminated and a new facility in Laurel, Md., leased as a replacement. The new facility is a modern one-story plant in which pallet racks are being erected so that each pallet may be reached without moving other pallets. Previously space limitations required storing publications without the benefit of racks. The new facility has 180,000 square feet and will accommodate about 12,000 pallets of publications. This new facility, in conjunction with the new computerized bulk inventory control system, discussed in the general statement, will substantially improve response time for bulk issues.

AUTOMATION PROGRAM

The publication reference file which was converted to microfiche from a card file a little over a year ago is undergoing further refinement. In a pilot test the reference file has been stored in the Senate computer and can be accessed on line through the use of a cathode ray tube output device. This system provides rapid retrieval of information for answering inquiries and also permits virtually unlimited access to the data base. Furthermore, it is always current whereas other reference files represent a point in time. The system will be expanded and in time brought on our own computer.

As a part of the continuing automation, the deposit account system has been converted from manual to computer input. This innovation will permit a monthly statement for each of the approximately 70,000 accounts. The records can be updated more quickly. ATS terminals are on order to convert this system to direct computer access.

IMPACT OF INCREASED POSTAGE COSTS

The impact that postage payments and higher postage rates have had on the sales and distribution programs for public documents has been brought to the attention of this committee. A 30-percent postal rate increase is under consideration by the U.S. Postal Service to be implemented in the near future. A postage increase of this magnitude will require increases in prices and will require supplemental appropriations for the other programs.

SALARIES AND EXPENSES, OFFICE OF SUPERINTENDENT OF DOCUMENTS

Appropriation estimate for fiscal year 1976	$36,808,000
Appropriation for fiscal year 1975	36,000,000
Fiscal year 1975 proposed supplemental for civilian pay increase	890,000
	36,890,000
Decrease for fiscal year 1976	−82,000

	Estimate fiscal year— 1975	1976	Increase or decrease
11 Personnel compensation	$17,180,000	$15,642,200	−$1,537,800
12 Personnel benefits	1,379,100	1,335,000	−44,100
21 Travel and transportation of persons	[1] 83,885	88,300	4,415
22 Transportation of things	134,000	134,000	
23 Rent, communications, and utilities	6,148,400	6,764,300	615,900
24 Printing and reproduction	4,563,000	4,879,200	316,200
25 Other services	3,520,000	5,052,000	1,532,000
26 Supplies and materials	825,615	979,000	153,385
31 Equipment	2,834,000	1,634,000	−1,200,000
Contingency fund	222,000	300,000	78,000
Total estimate	36,890,000	36,808,000	−82,000

[1] Reference Pub. L. 93-554 and OMB Bulletin 75-11.

BREAKDOWN OF 1976 BUDGET INCREASES AND DECREASES REQUESTED

	Fiscal year— 1975	1976	Increase or decrease
Personnel compensation:			
Salaries	$17,180,000	$15,642,200	−$1,537,800
Reduction of 112 permanent positions and 92 temporaries and 253 WAE's		−2,061,600	−2,061,600
Increased pay cost for fiscal year 1976		336,600	336,600
Annual within grade		150,600	150,600
Additional personnel for one bookstore		36,600	36,600
Total decrease			−$1,537,800
Personnel benefits: Decrease of contribution for retirement, health benefits and life insurance	1,379,100	1,335,000	−44,100
The reduction of positions of full-time, temporary and part-time is the result of reorganization from 5 division/services to 3 service organizations which made it possible to centralize the warehouse operation and Library Service			
Travel necessary for inspection of bookstores, distribution center and statutory requirements of inspection of conditions of depository libraries. Increase due to congressional fiscal year 1975 travel (Public Law 93-554) reducing 1975 travel funds	83,885	88,300	4,415
Transportation of things: Transportation of sales publications ordered by Members of Congress for local delivery to bookstores and distribution centers	134,000	134,000	

BREAKDOWN OF 1976 BUDGET INCREASES AND DECREASES REQUESTED—Continued

	Fiscal year—		Increase or decrease
	1975	1976	
Rents, communications, and utilities:			
Rentals:			
Bookstores	374,000	318,000	−56,000
1111 North Capitol (6 months)	92,500		−92,500
Farrington Avenue	175,000	88,000	−87,000
Eisenhower I		100,000	100,000
Eisenhower II		153,500	153,500
Pueblo Distribution Center	24,000	41,000	17,000
Pueblo Army Depot (3 months)	20,000	5,000	−15,000
New Pueblo Building (34,000 square feet for 9 months)		63,800	63,800
Laurel Warehouse (180,000 square feet)	600,000	840,000	240,000
Union Center Plaza (Offices)		323,200	323,200
Other rentals, fork lifts, copy machines and other equipment	193,200	90,000	−103,200
Total rentals	1,478,700	2,022,500	
Increase			543,800
The increase in rentals is due to the movement of the Office and warehouse personnel to new locations and additional warehouse space for storage of publications. The decrease is due to 1111 North Capitol and Pueblo Army Depot not being needed in Fiscal Year 1976 and a rental change change for Bookstores.			
Communications:			
Postage:			
Depository Libraries	897,800	959,948	62,148
Administrative	234,900	234,900	
Selected list	1,174,000	1,140,000	−34,000
Congressional	2,305,000	2,304,445	−555
Total postage	4,611,700	4,639,293	
Increase			27,593
Increase is due to an estimated 40 additional depository libraries in fiscal year 1976. Decrease in selected list is due to purging all lists.			
Utilities:			
Telephone and Teletype	33,000	43,200	10,200
Utilities	25,000	59,307	34,307
Total utilities	58,000	102,507	
Increase			44,507
Increase in Telephone and Teletype is due to telephone installation and service for one new bookstore and automatic call distributor for Customer Service relocated in offices at Union Center Plaza. Increase in utilities is due to new warehouses at Laurel and Eisenhower.			
Total rent, communications and utilities	6,148,400	6,764,300	
Increase			615,900
Printing and reproduction:			
Depository Library Printing	3,484,500	3,972,260	487,760
Subject List	201,000	85,800	−115,200
Selected List	632,100	603,400	−28,700
Catalogs and Indexes	191,500	217,740	26,240
Price Circulars	53,900		−53,900
Total Printing and Reproduction	4,563,000	4,879,200	
Increase			316,200
Increase in depository library printing is due to increased printing cost for established libraries and estimated 40 new libraries. Catalogs and indexes had a marginal increase due to a change in pricing of issues and indexes. A decrease in subject list and selected list is due to purging of all lists.			
Other services:			
Overhead charges	2,221,400	3,550,000	1,328,600
Computer services	853,600	1,000,000	146,400
Systems study	200,000	200,000	
Engineering charges	245,000	295,000	50,000
Training		7,000	7,000
Total Other Services	3,520,000	5,052,000	
Increase			1,532,000
The increase in other services is due primarily to the reallocation of overhead and engineering charges based upon the reorganization and relocation of documents.			
Supplies and materials	825,615	979,000	
Increase			153,385
Estimates based on actual usage plus provisions for increased costs and consumption for the major items.			

BREAKDOWN OF 1976 BUDGET INCREASES AND DECREASES REQUESTED—Continued

	Fiscal year—		Increase or decrease
	1975	1976	
Office supplies: Pens, pencils, paper clips, erasers, china markers, envelopes, writing pads, manila folders, staples, and GPO forms. Materials: Shipping bags, paperboard mailing tubes, videograph paper, liquid developer, mailing manila envelopes, 3 in reinforced tape, 12 ply twine, Xerox paper, toner, binding strippers, kraft paper rolls, adhesive spray and epoxy.			
Equipment	2,834,000	1,634,000	
Decrease			−1,200,000
The decrease represents amounts for nonrecurring equipment of the central office, bookstores, distribution centers and warehouses.			
Contingency fund	222,000	300,000	
Increase			78,000
Total estimates	36,890,000	36,808,000	
Total decrease			−82,000

SUMMARY OF WORKLOAD

[In thousands]

	1967 actual	1968 actual	1969 actual	1970 actual	1971 actual	1972 actual	1973 actual	1974 actual	1975 estimate	1976 estimate
Number of sales orders	3,915	4,101	4,449	4,688	4,352	4,749	4,845	4,600	5,000	5,200
Letters of inquiry	1,428	1,732	2,425	2,254	2,316	2,682	2,787	2,679	3,000	3,100
Amount of sales	$16,267	$16,954	$19,988	$21,341	$22,076	$22,908	$23,136	$33,542	$45,000	$50,436
Number of publications sold	72,439	69,436	71,455	74,967	78,000	78,000	78,000	83,268	84,000	86,000
Publications distributed for other Government agencies	81,092	80,882	96,361	84,399	94,501	95,046	64,040	51,932	60,000	70,000
Number of publications distributed to depository libraries	11,476	9,879	10,820	10,489	12,663	11,842	12,490	10,619	12,500	12,000
Number of publications cataloged and indexed	60	53	48	48	51	47	45	43	46	49

APPROPRIATIONS AND MISCELLANEOUS RECEIPTS

[In thousands of dollars]

	1967 actual	1968 actual	1969 actual	1970 actual	1971 actual	1972 actual	1973 actual	1974 actual	1975 estimate	1976 estimate
Appropriations, including all programs	6,425	7,469	8,178	10,045	12,236	14,830	29,762	36,871	36,890	36,808
Miscellaneous receipts Treasury	7,079	6,628	10,629	9,098	9,798	8,240	4,953	1,230	16,287	19,680

ACQUISITION OF SITE AND GENERAL PLANS AND DESIGNS OF BUILDINGS

For necessary expenses for acquisition of site, and general plans and designs of building for the Government Printing Office, $15,500,000, to remain available until expended, and to be available for transfer to the General Services Administration.

[Environmental Impact Study On The Relocation of The Government Printing Office]

[For expenses necessary to prepare a detailed environmental impact statement for the Government Printing Office, $300,000, to remain available until expended, and to be available for transfer to the General Services Administration.] (*Supplemental Appropriations Act, 1975.*)

SUPPORTING STATEMENT FOR ACQUISITION OF SITE AND GENERAL PLANS AND DESIGNS OF BUILDINGS

In 1956, the Joint Committee on Printing directed the Public Printer to investigate the possibility of expanding the Government Printing Office's warehouse facilities.

In 1961, as a result of that investigation and study, requests for funding were submitted and the Congress authorized the construction of a four-story and basement fireproof annex to the Government Printing Office (Public Law 87–373). However, the growing space requirements soon made it apparent that additional space, over and above that provided by the annex, would be needed. Consequently, Public Printer Harrison asked the General Services Administration to delay action on the annex until such time as the Government Printing Office could re-examine its overall space requirements.

After discussion with officials of Congressional committees and the General Services Administration, a decision was made to attempt relocation of the Government Printing Office to a plant designed and engineered to meet our specific needs. Several sites were reviewed and discussed with officials in and out of Government. Eventually, the decision was made to remain at the present location and to attempt to solve the Government Printing Office's space dilemma through expansion adjacent to its present location.

The Joint Committee on Printing, on May 17, 1972, approved the acquisition of land adjacent to our present building now under control of the Redevelopment Land Agency. The funds for acquisition of land ($4.6 million) were approved in the Fiscal Year 1974 Legislative Branch Appropriations Act. These funds have not been expended because of the following developments.

In July of 1973, representatives of the National Capital Planning Commission recommended relocation of the Government Printing Office within the District of Columbia on a site located in the New York Avenue industrial corridor.

The Commission has developed a master plan for renewal of the downtown area which includes the present Government Printing Office site. This area is to be converted to visitor-oriented purposes, including hotels, motels, and office buildings. Conversion of Union Station, which is located one block east of the present Government Printing Office, into a Visitors Center has already begun.

The Government Printing Office which is an industrial type operation does not fit in with the Commission's master plan and therefore a study was made by the Commission to relocate the Office. The study forecasts a growth in the Federal Government with a continuing need for government printing. The availability of sites in the District of Columbia, economic factors, accessibility to transportation, and objectives of the Commission were all considered and resulted in the recommendation to relocate the Government Printing Office to the site in the New York Avenue industrial corridor.

This area has been designated for industrial purposes and is served by several highways, railroads, and the new Metro transit system now under construction. The site is approximately a 10-minute drive to the Capitol and offers sufficient space for the present Government Printing Office complex, parking lots, and Documents warehousing operations.

Based on the National Capital Planning Commission recommendation and a continuing requirement for more efficient operating space, we have obtained the tentative approval of the Joint Committee on Printing to include the funds requested herein, $15.5 million for acquisition of site and general plans and designs of buildings for a new Government Printing Office.

A report to the District of Columbia City Council from the City Council Special Advisory Commission on Industrial and Commercial Development strongly recommends relocation of the Government Printing Office to the site in the New York Avenue industrial corridor.

The General Services Administration has estimated total construction costs for the Government Printing Office's proposed new building to be about $158.0 million. This estimate reflects projected cost escalation to June 1976. Included in the $158.0 million is our current request for $15.5 million ($10.2 for land acquisition and $5.3 million for design and review and feasibility studies). The cost of the new building will be offset by the residual value of the current complex which is estimated at $33 million plus a cost avoidance estimated at $5 million.

Lands Acquisition ($10.2 million)

The National Capital Planning Commission master plan specifically cites a 33-acre site in the New York Avenue industrial corridor for the location of a new Government Printing Office. This is sufficient area to construct a new three level building of approximately 2.1 million square feet equal to the present gross area of the Government Printing Office (including satellite warehousing) and also provide parking for employees. It is essential that the real estate needs of the Government Printing Office be made firm now in order to facilitate planning for the proposed new building.

Design and Review Study ($5.3 million)

It is essential that a technical study of the site and the structure be made by an architect/engineer, and also an in-depth justification be prepared. At this stage, centralization of warehousing and the introduction of automation are identifiable cost improvement areas. Savings should also be realized from:

a automated materials handling
b straight line arrangement of production equipment
c transportation expense occasioned by movement of paper and publications between GPO Central Office and various warehouses
d less damage to paper and publications by additional handling
e communication expenses to warehouse locations
f conformance to OSHA regulations
g reduction in personnel requirements

Preliminary estimates developed show that these savings and cost avoidances amount to over $11 million annually.

Environmental Impact Study

In September 1974 a supplemental appropriation was submitted to OMB and Congress requesting $300,000 covering an environmental impact study on the relocation of the Government Printing Office. This study is required by the National Environmental Policy Act (Public Law 91–190, sec. 102) to insure that environmental amenities are given equal discourse with economic and technical considerations. The resources were included in the Supplemental Appropriations Act of 1975 (Public Law 93–554). The resources were transferred through Treasury to the General Services Administration on February 3, 1975.

Government Printing Office Revolving Fund

[For payment to the "Government Printing Office revolving fund", $12,000,000, to remain available until expended, to provide additional working capital necessary for the support of normal operation of the revolving fund.]

The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs and purposes set forth in the budget for the current fiscal year for the "Government Printing Office revolving fund": *Provided*, That not to exceed $3,500 may be expended on the certification of the Public Printer in connection with special studies of governmental printing, binding, and distribution practices and procedures: *Provided further*, That during the current fiscal year the revolving fund shall be available for the hire of two passenger motor vehicles and the purchase of one passenger motor vehicle.

The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs and purposes set forth in the budget for the period July 1, 1976, through September 30, 1976, for the "Government Printing Office revolving fund": Provided, *That not to exceed $875 may be expended on the certification of the Public Printer in connection with special studies of governmental printing, binding, and distribution practices and procedures:* Provided further, *That during the period July 1, 1976, through September 30, 1976, the revolving fund shall be available for the hire of two passenger motor vehicles and the purchase of one passenger motor vehicle. (Legislative Branch Appropriation Act, 1975.)*

EMPLOYEES ON ROLL

		Number
Fiscal year:		
1954	Jan. 1, 1954	7,148
1955	June 1, 1955	6,803
1956	Apr. 1, 1956	6,687
1957	Mar. 15, 1957	6,490
1958	Mar. 31, 1958	6,432
1959	Feb. 28, 1959	6,513
1960	Feb. 29, 1960	6,547
1961	Feb. 28, 1961	6,614
1962	Feb. 28, 1962	6,887
1963	Feb. 28, 1963	7,161
1964	Jan. 31, 1964	7,272
1965	Jan. 31, 1965	7,392
1966	Jan. 31, 1966	7,257
1967	Jan. 31, 1967	7,542
1968	Jan. 31, 1968	7,825
1969	Jan. 31, 1969	7,971
1970	Dec. 31, 1969	8,125
1971	Dec. 31, 1970	8,371
1972	Dec. 31, 1971	8,259
1973	Dec. 31, 1972	8,527
1974	Dec. 31, 1973	8,237
1975	Dec. 31, 1974	8,417

Requisitions and print orders received

Fiscal year:	*Number*
1954	83, 639
1955	94, 018
1956	92, 904
1957	95, 279
1958	92, 671
1959	99, 293
1960	100, 162
1961	99, 340
1962	109, 112
1963 [1]	230, 261
1964	228, 819
1965	245, 732
1966	272, 044
1967	303, 108
1968	335, 793
1969	364, 222
1970	365, 840
1971	390, 065
1972	458, 491
1973	436, 140
1974	443, 700
1975 (estimate)	432, 117

[1] Beginning with fiscal year 1963, totals include individual orders on open requisitions.

IN-HOUSE AND COMMERCIAL PROCUREMENT OF PRINTING AND BINDING

Fiscal year	Central, field, and DSO including paper used in printing and binding	Commercially procured printing and binding including paper furnished contractors	Percent of commercially procured printing and binding	Blank paper, miscellaneous supplies and services, and other revenue	Total revenue
1966	$82, 160, 734	$79, 193, 017	49. 1	$14, 524, 898	$175, 878, 649
1967	86, 594, 001	97, 409, 932	52. 9	15, 971, 901	199, 975, 834
1968	84, 597, 886	97, 399, 609	53. 5	12, 816, 372	194, 813, 867
1969	87, 774, 844	102, 999, 500	54. 0	12, 877, 260	203, 651, 604
1970	97, 225, 799	125, 654, 131	56. 4	12, 761, 209	235, 641, 139
1971	104, 346, 304	108, 348, 337	50. 9	11, 509, 214	224, 203, 855
1972	109, 181, 199	141, 916, 593	56. 5	10, 545, 555	261, 643, 347
1973	114, 125, 810	165, 720, 491	59. 2	11, 847, 326	291, 693, 627
1974	125, 401, 610	222, 493, 706	64. 0	18, 243, 276	366, 138, 592
1975 estimate	137, 649, 400	324, 459, 300	70. 2	30, 212, 300	492, 321, 000

VALUE OF COMMERCIAL PRINTING

	Value of commerical printing	Value of paper furnished contractors	Total
Fiscal year:			
1954	$18, 143, 383	$2, 541, 696	$20, 685, 079
1955	21, 147, 523	2, 481, 072	23, 628, 595
1956	23, 160, 773	3, 467, 137	26, 627, 910
1957	24, 314, 072	4, 859, 553	29, 173, 625
1958	28, 484, 792	3, 744, 305	32, 229, 097
1959	28, 588, 242	3, 879, 593	32, 467, 835
1960	31, 062, 889	4, 546, 789	35, 609, 678
1961	31, 580, 445	4, 473, 401	36, 053, 846
1962	43, 376, 398	5, 793, 104	49, 169, 502
1963	47, 533, 962	5, 835, 773	53, 369, 735
1964	50, 493, 980	3, 861, 028	54, 355, 008
1965	51, 129, 601	3, 277, 965	54, 407, 566
1966	74, 885, 832	4, 307, 185	79, 193, 017
1967	92, 945, 592	4, 464, 340	97, 409, 932
1968	93, 994, 354	3, 405, 255	97, 399, 609
1969	99, 877, 843	3, 121, 656	102, 999, 499
1970	122, 508, 631	3, 145, 500	125, 654, 131
1971	105, 455, 938	2, 892, 399	108, 348, 337
1972	139, 757, 283	2, 159, 310	141, 916, 593
1973	164, 503, 965	1, 216, 526	165, 720, 491
1974	221, 461, 036	1, 032, 670	222, 493, 706
1975 (estimate)	323, 359, 300	1, 100, 000	324, 459, 300

Total printing and binding income, including all fieldwork

Fiscal year:	*Amount*
1954	$74, 482, 987
1955	78, 493, 956
1956	86, 852, 359
1957	88, 745, 435
1958	89, 684, 998
1959	93, 047, 066
1960	99, 547, 840
1961	97, 749, 609
1962	121, 316, 943
1963	129, 650, 829
1964	136, 058, 238
1965	137, 473, 221
1966	175, 878, 649
1967	199, 975, 834
1968	194, 813, 867
1969	203, 651, 604
1970	235, 641, 139
1971	224, 203, 855
1972	261, 643, 347
1973	291, 693, 627
1974	366, 138, 592
1975 (estimate)	492, 321, 000

Profits and losses from printing and binding operations, Government Printing Office revolving fund, fiscal year 1954 through fiscal year 1975

Fiscal year:	*Net profit or loss (—)*
1954	$3, 483, 727
1955	3, 156, 673
1956	3, 203, 201
1957	2, 971, 901
1958	975, 037
1959	1, 218, 169
1960	1, 264, 135
1961	—809, 188
1962	2, 236, 531
1963	1, 343, 814
1964	1, 733, 046
1965	1, 573, 889
1966	5, 887, 210
1967	4, 406, 239
1968	757, 325
1969	2, 256, 522
1970	1, 019, 225
1971	2, 215, 293
1972	139, 438
1973	6, 519, 211
1974	4, 296, 075
1975 (estimate)	0

GOVERNMENT PRINTING OFFICE REVENUE, EXPENSE, AND RETAINED EARNINGS—PRINTING AND BINDING OPERATIONS

[In thousands of dollars]

	1974 actual	1975 estimate	1976 estimate
Revenue: Printing and binding operations	$365,605	$491,605	$605,197
Other revenue:			
Baling and salvaging	514	706	647
Other	9	10	10
Total other revenue	523	716	657
Total revenue	366,128	492,321	605,854
Expense:			
Personnel compensation	101,826	119,896	132,166
Personnel benefits	9,035	10,173	11,206
Travel and transportation of persons	79	90	184
Transportation of things	3,920	4,313	4,832
Rent, communications, and utilities	2,568	4,413	4,607
Printing and reproduction	205,114	300,332	390,431
Other services	707	1,146	1,045
Supplies and materials	37,104	50,486	59,820
Depreciation	1,490	1,472	1,563
Total expenses	361,843	492,321	605,854
Net operating income	4,285		
Nonoperating income and retained earnings:			
Acquisition value of equipment sold	599		
Less: Accumulated depreciation	526		
Book value of equipment sold	73		
Proceeds from sale of equipment	84		
Nonoperating income	11		
Net income for the year	4,296		
Analysis of retained earnings:			
Retained earnings, start of year	37,182	41,478	41,478
Retained earnings, end of year	41,478	41,478	41,478

GOVERNMENT PRINTING OFFICE REVENUE, EXPENSE, AND RETAINED EARNINGS, GENERAL SALES OF PUBLICATIONS OPERATIONS

[In thousands of dollars]

	1974 actual	1975 estimate	1976 estimate
Revenue: Sales	$33,542	$42,000	$48,000
Other revenue:			
Gratuitous revenue (sale of other Government publications by sales agents of Superintendent of Documents)	296	330	330
Deposit accounts inactive for 10 years and unidentified remittance	15	20	20
Unredeemed public documents coupons	413	200	200
Sale of waste paper	40	50	50
Total other revenue	764	600	600
Total revenue	34,306	42,600	48,600
Expense:			
Cost of publications sold	14,970	12,600	14,300
Postage for sales copies mailed	10,560	11,463	12,300
Unsalable publications expense	2,691	2,250	2,420
Administrative expense	4,855		
Total expense	33,076	26,313	29,020
Earnings before deduction of Salaries and Expenses Appropriation expenditures	1,230	16,287	19,580
Expenditures from Salaries and Expenses Appropriation required to operate the general sales program:			
Personnel compensation	10,540	13,572	9,343
Personnel benefits	855	1,089	798
Travel	29	34	41
Transportation of things	110	109	86
Rent, communications, and utilities	5,936	1,473	2,438
Printing and reproduction	609	177	689
Other services	1,698	2,992	3,245
Supplies and materials	182	413	332
Equipment	222	2,466	1,375
Total expenditures	20,181	22,325	18,347
Net earnings	(18,951)	(6,038)	1,233

GOVERNMENT PRINTING OFFICE REVENUE, EXPENSE, AND RETAINED EARNINGS, SPECIAL SALES OF PUBLICATIONS OPERATIONS

[In thousands of dollars]

	1976 estimate
Revenue: Sales	$2,436
Expense:	
Cost of publications sold	717
Postage for sales copies mailed	1,193
Unsalable publications expense	130
Total expenses	2,040
Earnings before deduction of Salaries and Expenses Appropriation expenditures	396
Expenditures from Salaries and Expenses Appropriation required to operate the special sales program:	
Personnel compensation	2,474
Personnel benefits	213
Transportation of things	23
Rent, communications, and utilities	709
Other services	797
Supplies and materials	158
Equipment	259
Total expenditures	4,633
Net earnings	(4,237)

GOVERNMENT PRINTING OFFICE REVENUE AND EXPENSE

[In thousands of dollars]

	1974 actual	1975 estimate	1976 estimate
Printing and binding:			
Revenue	$366,128	$492,321	$605,854
Expense	361,843	492,321	605,854
Net operating income, printing and binding	4,285		
General sales of publications operations:			
Revenue	34,306	42,600	48,600
Expense	33,076	26,313	29,020
Net operating income, general sales operations	1,230	16,287	19,580
Special sales of publications operations:			
Revenue			2,436
Expense			2,040
Net operating income, special sales operations			396
Nonoperating income:			
Proceeds from sale of equipment	84		
Book value of equipment sold	73		
Nonoperating income	11		
Net income for the year	5,526	16,287	19,976

U.S. SENATE

CONGRESSIONAL WITNESSES

STATEMENT OF HON. MIKE GRAVEL, U.S. SENATOR FROM ALASKA

ACCOMPANIED BY:

HON. BOB PACKWOOD, U.S. SENATOR FROM OREGON
HARRISON FOX, OFFICE OF SENATOR BILL BROCK

Senator HOLLINGS. There is currently pending before the Rules and Administration Committee two resolutions introduced by Senator Gravel and other Senators that would create a new class of Senate employees based on the committee assignments of Senators.

However, these new employees will be part of a Senator's personal office staff a matter that this subcommittee has always handled in the appropriation administrative and clerical assistance to Senators. The particular resolutions by Senator Gravel amends the rules of the Senate and, of course, have been referred to the Rules Committee.

We don't want to preempt the Rules Committee but we don't want to disregard our own responsibility in this matter As a result, Senator Gravel asked to be heard and we are delighted to have him with us this afternoon.

We will be glad to hear from Senator Gravel at this time.

Senator GRAVEL. Thank you very much, Mr. Chairman. I want to thank you for rescheduling my appearance before you today. We had a mix-up in my office on finishing the testimony. We will have 20 copies here very soon.

Senator HOLLINGS. I don't suppose that was due to a lack of staff?

Senator GRAVEL. That was exactly the case. My testimony not being here now is illustrative of the urgency of our need.

PREPARED STATEMENT

Senator HOLLINGS. We will print your full statement in the record at this point and you may proceed as you wish.

[The statement follows:]

Thank you Chairman Hollings and members of the Legislative Appropriations Subcommittee for this opportunity to present my views on my resolution concerning the need for additional Senate staff. I welcome this opportunity to expand discussion of this subject and to correct misconceptions surrounding my proposal.

As I reviewed my first Senate term and began making plans for my second, I became acutely aware that my ability to meaningfully participate in a great many issues was seriously hampered by a lack of staff. There is no question in my mind that there is a positive correlation between the number of staff a member has and the number of issues in which he can become involved. There is no question that the depth of a member's knowledge on a broad range of subjects depends on the amount of capable staff at his direction.

In discussing my frustrations with colleagues, I found that a majority agreed. Fifty seven Senators cosponsored my resolution and it received the endorsement of both caucuses. I felt that the problem was so acute that an immediate solution was necessary, and that the solution should be codified in the Senate Rules. Since a discussion of the Rules preceeds most other Senate business, use of the Rules Committee presented the opportunity to quickly effect this much needed change. I had hoped that each member would have had additional staff assistance prior to our consideration of tax and energy matters.

The prompt consideration by the Senate that I had hoped to obtain by introducing my resolution as an amendment to the Senate Rules was not forthcoming. A meeting was held with

the principle sponsors, Senators Brock, Packwood, Cranston, myself, Majority Leader Mike Mansfield and the Rules Chairman Cannon. At that session, Chairman Cannon agreed to take up my proposal prior to April 22nd or as the first item of business after the conclusion of the New Hampshire Senate recount. This agreement remains in effect and therefore my proposal remains in the jurisdiction of the Rules Committee. During these discussions, S. Res. 60 was revised by two minor changes and reintroduced as S. Res. 110.

At present, there are two methods by which the Senate is provided staff. First, there is the population formula, which takes into account the number of constituents a Senator must serve. Second, there is committee staffing, which provides cadres of professionals to guide the Senate as a whole in major policy areas.

S. Res. 110 proposes to create a new, third category to ensure individual Senators have expert assistance in meeting their legislative assignments. Such is not the case now. Let me explain why.

THE POPULATION FORMULA

The principle of the population formula is good, as far as it goes. It recognizes that some members have more constituents than others and thus need more resources to devote to citizen needs, demands, and services.

However, almost, all of our clerk-hire resources have to be used to respond to these constituent needs. Little or no money is left over to hire staff to meet national legislative responsibilities deriving from our committee assignments. The only way out of this box is to accumulate staff under the committee staffing system. But this solution is not available to all members of the Senate equally.

COMMITTEE STAFFING

In addition to the population formula, a senator may acquire staff directly from his committee assignment. As a member becomes a subcommittee chairman, or ranking minority member, staff may become available to assist him. Notice I said "may". In talking with members about S. Res. 110, I have learned that many subcommittee chairmen have received no staff even after six, eight, or ten years of service. This occurs because each committee chairmen runs his committee differently. Some committee chairmen allow their subcommittee chairmen a great deal of freedom in running the subcommittees. Staffs are allowed to expand to a size equal to their tasks.

Of course, as was pointed out in the recent WASHINGTON POST series on committee staffing, some grow beyond their legitimate size, primarily because of the pressures put on them by the inadequacy of the population formula. But even here, a senator's ability to expand staff through his committee membership is completely subject to the whim of his committee chairman.

Reform and establishment of a balance is obviously called for.

It is against this background that I offered S. Res. 60, since reintroduced as S. Res. 110. This resolution would not alter existing staffing formulas or arrangements, but would provide funds based on each member's committee assignments.

My amendment to the Senate rules would put some equality into our staffing procedures, enhance our oversight capability, assist the Senate in its efforts to re-establish the Congress as a truly equal branch of government, and speak directly to some of the problems with our current population formula and committee staffing arrangements.

The formula I suggest would make available an additional $69,762.00 for each membership on an A committee and additional $34,881.00 for each membership on a B and C committee. These funds may be spent in any way the members see fit as long as persons hired are specifically delegated committee related work.

I further propose that an additional $69,762 for staff be made available to each subcommittee chairman and each subcommittee ranking minority member to assist in their leadership responsibilities.

Arrangements for housing and supplying this additional personnel would fall upon each member, not the affected committee.

My amendment will not lower any existing committee or subcommittee staffing arrangement. Indeed, I want to make it very clear that my proposal is not intended to infringe on the rights or prerogatives of committee chairmen.

Each person appointed under this amendment will be designated as such and certified by the appointing member to the appropriate full committee chairman and ranking minority member.

These proposals represent, I believe, a modest but not insignificant effort to reform and rationalize Senate staffing procedures. Allow me to elaborate for the Committee some of the problem areas S. Res. 110 would address.

THE EQUALITY FACTOR

Every member's vote is weighed equally and each must cast the same number of votes.

Every Senator is a member of anywhere from two to seven committees. In their capacity as committee members senators serve not only constituents, but have an equal, definite and direct responsibility to the Senate, the Congress and the Nation for the development of national policy.

Neither the population formula nor the current committee staffing procedures speaks to the need of equal resources to handle these responsibilities.

THE OVERSIGHT RESPONSIBILITY

We have just passed through a very difficult period in American history in which we saw abuses of power by the Executive. We contributed to creating the climate that led directly to this blatant, illegal and unconstitutional abuse of power by appropriating monies year after year to expand agencies, departments, and the White House staff, but not providing ourselves with the staff to perform the necessary oversight.

Some of our most important committees have no staff assigned to members. Many Senators must take staff members away from constituent work and assign them to committee work, and then pay the price of not meeting constituent needs. S. Res. 110 would provide each senator with the staff resources to begin to address his individual, constitutional responsibility to assure that this nation has good and honest government.

THE "UN-EQUAL" BRANCH PROBLEM

Far too often we see the following scenario: The White House formulates a legislative idea; a department assigns 10, 20, or 30 staff members to research and draft the proposal; it is introduced in the Senate and, in the final analysis, referred to a subcommittee which may have no staff or at most a counsel and a secretary. Thus, the stage is set for another Executive steamroller.

Far too often the Senate performs its legislative function in a passive fashion. Our fact finding, investigative, and technical capacities are often ineffective because we lack adequate staff.

We limit our activites to the consideration--often not very detailed consideration--of pending executive proposals,

or to the monitoring of executive actions. The results have all too frequently been disastrous.

INCREASE IN WORK LOAD

A closer look at the realities of our responsibilities helps explain the need for increased Senate staffing.

Ten years ago the number of issues upon which members of the Senate felt compelled to speak filled 15,000 pages of the Congressional Record per year. The average for the past four years is over 21,000 pages per year.

The number of roll call votes has drastically increased from an average of 267 for the years 1965 to 1970 to an average for the last five years of 501 votes per session.

While precise figures on the volume of incoming constituent mail are not available, figures on the amount of franked mail sent by Congress show an incredible upward trend. They reflect the increased activity of the legislative branch and citizen communications with their elected representatives. In 1955, Congress sent 46 million pieces of mail. Last year members of Congress communicated through the mail with the American people more than 315 million times.

Whether we like it or not, the intrusion of the federal government into every facet of human existence is a fact, and one that greatly increases the demands on Senators. The Executive departments, agencies, and commissions issue rules, regulations and procedures that precipitate phone calls, letters, and personal visits to congressional offices pleading for redress. In many cases the bureauracy simply doesn't work quickly enough to render justice.

Paralleling the individual constituent cries for assistance are those of citizen interest groups. We are besieged daily with campaigns representing diverse views on each issue. Already

this year thousands of citizens' lobbies have visited Washington requesting remedies to economic problems, expressing dismay about our foreign policy, imploring us to vote "for" or "against" abortion and, most recently, opposing strip mining legislation.

In short, every issue has become the cause celebre of one group or another. This is good. This is right. In a representative democracy the people must play an active role. But the demands these petitioners place on members of the Senate overwhelm even the most talented and hard working staff.

COST ESTIMATE

Since I began soliciting cosponsors for this resolution several rumors concerning its cost have been widely circulated. I would like to present what I consider is a realistic cost estimate based on data taken from existing Senate pay records.

Section 8 (a) (1), which provides $69,762.00 per membership on an A committee if used to its maximum extent, would cost $15,347,640.00. It is reasonable to assume that this provision will not be used to its maximum extent because the full committee chairmen and ranking minority members will not avail themselves of the funds made available by my amendment. Through their leadership roles on committees they have fully staffed themselves already. It is, therefore, realistic to assume that we can reduce expenditures under this section by multiplying 28 times $69,762.00, therefore effecting an additional reduction of $1,953,336.00, which brings the total for section 8 (a) (1) to $13,394,304.00.

Section 8 (a) (2) of my resolution, which provides $34,881.00 per membership on B and C committees would, if used to its maximum extent, cost $5,336,793.00.

This provision will not be used to its fullest extent because committee chairmen and ranking minority members will not make use of this provision, thereby creating a deduction of

$1,185,954.00, leaving an adjusted figure for section 8 (a) (2) of $4,150,839.00. These two reasonably expected deductions bring our total preliminary cost estimate to $17,545,143.00 for section 8.

Section 9, concerning the staffing for subcommittee members, would cost $16,742,880.00 if maximally used. Subtracting the amount alotted to subcommittee chairmen and ranking minority members who also serve as full committee chairmen and full committee ranking minority members, we achieve deductions of $941,787.00, bringing the cost of section 9 to $15,801,093.00.

Thus, the total for sections 8 and 9 now stands at $33,346,236.00. Two further large deductions can reasonably and logically be expected to occur.

A study recently conducted by the staff of the Joint Committee on Congressional Operations of the latest available Senate payroll data for 1974 shows the following:

> Thirty four members turned back more than 10% of their personal payroll allotments.

Of those 34 members, 19 were full committee chairmen or ranking minority members. This clearly supports the contention that those holding ranking positions on full committees will not use the funds available under my amendment. They do not fully use their personal allotments at the present time. They are, as stated earlier, adequately staffed by virtue of their committee leadership roles.

Assuming that these Senators who turned back 10 percent or more of the available clerk hire funds, who are not full committee chairmen or ranking minority members, would not use the additional funds available under sections 8 and 9, we arrive at a further deduction of $11,161,920.00, which subtracted from $33,346,236.00 further reduces our projected cost to $22,184,316.00.

After briefly studying the list of Senate subcommittees, it seems reasonable to assume that, at an absolute minimum, at least 20 subcommittees, 12 1/2 percent, cannot justify the expenditures of the alloted $139,524.00 per subcommittee. This makes a minimum reduction of $2,790,480.00 and, when subtracted from our adjusted cost estimate, brings the final estimate of my amendment to $19,393,836.00. Agency contributions of $1,316,622.00 bring the total to $20,710,458.00.

However, one additional point needs to be made in discussing the total cost of this program. The amount of clerk hire funds returned by all Senators in 1974 was $4,473,562.00.

If we subtract this amount from the projected $20,710,458.00 cost of my amendment, we see that the total cost in newly appropriated funds would be $16,236,896.00.

I would like to conclude my remarks by attempting to put this cost in perspective.

Some hold the view that during a time of economic difficulty the Senate should not be spending money to increase its staff. I fail to understand this logic. We are the policy makers of the nation. We are all members of the board of directors of history's most powerful and productive country. It is precisely during a time of crises that you need the best efforts of your national policy makers. In a rational civilized democratic society, knowledge is power. Democracy thrives when the doors are open to the people, when information flows, when legislators know enough to ask the tough questions. None of these are possible without adequate staffing.

I can't believe the American people or our own constituents want us trying to solve the gigantic problems facing our nation without being adequately informed. They want informed legislators casting intelligent votes.

Congress and its subdivisions are operating on a budget equal to two-tenths of 1 percent of the 1974 U. S. budget. Even if, as my critics claim, my proposal costs around $40 million, this would represent only a 5.7% increase in the total legislative appropriation. If, as I claim, the cost would be around 16 million it would represent a 2.2% increase.

According to a March 18 news report, a recent GAO study has determined that we spent three times this $16 million figure to pay overtime to Federal inspectors at U. S. border crossings. In fact, we could pay the entire cost of S. Res. 110 by building only one less F-14 jet fighter, which goes for $17 million per copy.

Of course, maybe we need to pay border guards overtime and maybe we need that extra F-14. The point is that the money we are talking about here today is only a drop in the bucket when compared with our vast governmental expenditures. And we in the Senate have to pass on every single one of these dollars. I think it is worth the price of an F-14 to make sure we have the staff to help us make the right decisions on all those other appropriations.

In summary, Mr. Chairman, I strongly believe our current method of staffing U. S. Senators is totally inadequate and is in drastic need of revision. I believe my proposal would help the people's representatives regain control of a Federal Government that is unresponsive to the people.

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EXPLANATION OF ANTICIPATED

ACTUAL COSTS

OF

S. RES. 110

Section 8(a)(1)	
220 "A" Committee memberships x $69,762.00	$ 15,347,640.00
Deduction #1: Full committee chairman and ranking minority members are fully staffed by virtue of their leadership positions and therefore will not use funds available under S. Res. 110 28 x $69,762.00 = $ 1,953,336.00	- 1,953,336.00
	$ 13,394,304.00
Section 8(a)(2)	
153 "B" and "C" Committee memberships x $34,881.00	$ 5,336,793.00
Deduction #2: Minus full committee chairmen and ranking minority members 34 x $34,881.00 =	-1,185,954.00
	$ 4,150,839.00
Subtotal Section 8(a)(1) and 8(a)(2)	$ 17,545,143.00
Section 9	
240 Eligible subcommittee assignments x $69,762.00	$ 16,742,880.00
Deduction #3: Minus Subcommittee chairman and ranking minority members who serve as full committee chairmen and ranking minority members 27 x $34,881.00 =	- 941,787.00
	$ 15,801,093.00
Subtotal for Sections 8 & 9	$ 33,346,236.00

Senators who are not full committee chairmen or ranking minority members who turn back 10% or more of their staff hire allotment can be expected not to use funds made available under S. Res. 110.	
Deduction #4:	
Section 8(a)(1) - 63 memberships	
63 x $69,762.00 =	$ 4,395,006.00
Deduction #5:	
Section 8(a)(2) - 52 memberships	
52 x $34,881.00 =	$ 1,813,812.00
Deduction #6:	
Section 9 - 71 memberships	
71 x $69,762.00 =	$ 4,953,102.00
Total Deduction #4, 5 and 6 =	$ 11,161,920.00
Subtotal Sections 8 & 9	$ 33,346,236.00
Deductions #4, 5 & 6	- 11,161,920.00
	$ 22,184,316.00
Deduction #7:	
The workload of at least 20 subcommittees cannot justify the expenditure of funds available under S. Res. 110	
20 x $139,524.00 =	-$ 2,790,480.00
	$ 19,393,836.00
Deduction #8:	
In 1974 Senators did not expend from their clerk staff hire allotment	- 4,473,562.00
	$ 14,920.274.00
Agency Contributions (retirement, health and life insurance benefits) =	+ 1,316,622.00
Total "New" money required to fund S. Res. 110	$ 16,236,896.00

Senator GRAVEL. Senator Packwood will be joining me as he is one of four major cosponsors, of S. Res. 110

The reason I wanted to appear before your committee was, to inform you as to the purpose of our legislation. The reason we chose to amend the rules, was that we believe that it is time the Rules reflect the legislative nature of our work. We also felt that with the endorsement of both caucuses, the 57 cosponsors we had gathered and the fact that the rules are among the first order of business at the beginning of a session would enable us to provide additional staff prior to the Senate's consideration of tax and energy legislation.

We felt that we should fund this proposal from the contingency fund because the day after passage Members of the Senate would have been able to hire people.

We didn't wish to go through the appropriation process because we wanted the immediacy of the benefits. However, as it has developed we have not enjoyed that immediacy and we are now awaiting the deliberations of the Rules Committee. We have a terminal disposition date where they will definitely report S. Res. 110.

The population formula is the cornerstone of our staffing procedures. Allotments, depending on the size of State range from 392,298 to 751,980.

S. Res. 110 does not change the population formula.

The second method through which staff are secured for the members of the Senate is directly through the committee assignments of each member. It is therefore under the control of the chairman of the committee.

The size of the staff is also very much as a result of the nature of the committee chairmen. If, let's say, 5 years ago you had a chairman with a very expansive and voracious appetite, that committee built up quite a large number of staff. In years succeeding that committee staff probably remained at a high level.

The chairman could keep this staff under his immediate control or as is the case with Judiciary, he could distribute it out to the various members.

So the whole area of committee staffing has come under a great criticism primarily because Mr. Isaacs wrote a series of articles in the Washington Post. He essentially addressed himself to the capriciousness and inequities that exist in this method. He states an excellent case for reform. However, our proposal does not touch this at all. That is clearly the Rules Committee's responsibility. I am hopeful that meaningful reform will result.

S. Res. 110 creates a third category of staff, one totally different from the first two. Our proposal states that staff should also be assigned based upon a person's equality in the Senate.

You and I and Senator Schweiker and Senator Huddleston all have an equal vote, but our States are greatly different in size. Even though Pennsylvania has several million people his vote is weighted equally with mine.

So what is necessary is to provide an equal number of legislatively oriented staff for each Senator. In short, we should have an equal number of people filling our heads with ideas, plans, programs, etc.

Senator HOLLINGS. Wait a minute. Do you think the bigger State has a bigger input into the Senator's head, and the smaller State would have a smaller input into his head?

Senator GRAVEL. It's possible. If a person from a larger State wanted to use more of his clerk hire funds for legislative work as opposed to case or project work, he could do so.

That is the decision one may make. I made that decision when I first came here. I weighted my clerk hire expenditures toward legislative people so that I could accumulate expertise in certain areas.

That is the conscious decision I made. The problem is that under the current situation the constant tug between political realities (constituent mail, case work, etc.) and legislative responsibilities goes on and on. My contention is that far too often our legislative responsibilities suffer. I had to pull back from my decision in order to restore moneys to the constituent service area because of the nature of politics, and the nature of the demands of my constituency.

Now as I accumulate more seniority on a committee or if perchance I happen to be on the Judiciary Committee, I can get more people for legislative work than if I am not on the Judiciary Committee. That is where inequity occurs.

You take my case, on Finance Committee—I think it is generally understood, that this is certainly one of the most powerful committees in the Senate and has a very broad spectrum of issues that come before it.

As a member I don't have one single person assigned to me to help in my activities on the committee. It becomes almost ridiculous. We just handled the tax bill. All members were totally dependent upon the staff of the committee.

Now that staff is a fine staff but they might not have enough time to attend to every individual member's needs. So in the pecking order, the last person in seniority probably gets the least amount of attention—meaning he gets the least amount of input into his brain.

Yet when you come to the floor to vote on the issue, the person's vote who got the least attention is equal to the person who got the most. This is not quite the right way to run a ship.

So all we say is that some staff should be apportioned on the basis of committee assignment.

So much money for an "A" committee assignment since they have greater responsibility, a lesser amount of money for "B" and "C" committee assignments, since it has lesser responsibility, and so much money if you are a subcommittee chairman or ranking minority member.

For the first time in the history of the Senate, we would be setting up a new procedure for alloting staff on the basis that our votes are weighted equally and we must have the opportunity to equip ourselves equally in regard to our legislative assignments.

We would reform the current staffing system, by initiating a new principle, hoping that if that is adopted, then obviously the Rules Committee would review the existing committee staffing procedure in the hopes that massive reform would take place.

My task of coming to you is to apprise you in great detail because you are so deeply involved in this entire area. It is part of your duties. We felt an extra effort to inform you in this process is necessary, due to the positions you have.

Senator HOLLINGS. We thank you. Let me say this. I realize you have got an argument. There is a problem in mutually sharing that problem. From our own vantage point, we have been trying to reconcile under the population formula a more realistic allocation for the largest States.

During the last 4 years we have increased the most populated States some 57 percent. I think the clerk-hire allowances of the smallest State is up on the average of 33 percent. It has been a growing problem. You see our California friends, Tunney and Cranston, sitting with their bags of mail and people couldn't answer them and everything else with that kind of thing.

We have had extensive hearings along that line and more or less beefed up those staffs in accordance with their recommendations.

I realize the inequities among committees. I see it harped on in this particular Appropriations Committee for bigger staff. I think one of the results of not having a larger staff in the Appropriations Committee vis-a-vis the Judiciary Committee, is much of the investigatory work is not done.

As a result, you have the Joint Economic Committee growing every time you get a campaign or a new chairman. They come in and ask for more to do many of the things we could do with additional investigatory staff. Everybody gets a subcommittee. They have learned the Eastland secret.

Every man's a subcommittee over there. They have got even bigger and bigger. Obviously Congress was not satisfied with the job done by the Appropriations Committees on the Budget, but that and some of the work done by the JEC are really functions of the Appropriations Committee. Now we have a Budget Committee. That has come along.

I worry, though, about the end result. In the recommendation you made, incidentally, I don't know how I got to be a cosponsor, I take it came by misunderstanding. If you got a letter of mine, I can't find it. I can't find a person on my staff that said so.

As a result of this, I thought everybody was up to snuff, or like Kansas City about as far as I thought we could go economically in the light of the tremendous deficit, needs and what-have-you. We just recently had these increases of staff and the worst place to not set an example of trying to have belt tightening has immediately come up, bam, double our staffs. This is in essence exactly what your resolution does. Now we took various Senators at random, for instance, Senator Cannon is a chairman. You say that one of the things that is wrong, of course, is that the committee chairmen are hogging all the staff. But if you give them those allowances, let's assume, just for the purpose—we don't want to deride them and call them hogs—but let's say their rather sumptuous practices will continue.

Senator GRAVEL. Voracious appetites.

Senator HOLLINGS. Voracious is much nicer. I like your vocabulary. If they do this, in other words, he now has $392,000 for the State of Nevada, and under S. Res. 60 he could have more than $800,000 based on last year's assignments, and I guess under your revised proposal he could at least double it. He would have an additional

$392,000, obviously not warranted on the one hand, and obviously no room for them since we are about to extend the Dirksen Building because of the overcrowding in the offices now.

I was a leader in trying to get casework done at the home office. I think I get almost a 2 to 3 for 1 ratio in service and keep the people at home and in contact, working and everything else. I can get somebody, let's say, for $12,000 in Columbia, S.C., for that same person to come up here and live, it would cost $18,000.

It has worked in Florida, I know, for Senator Chiles, and there are others. But if we assume, as you have, or accept the hypothesis that we are going to have extra committee personnel assigned to each Senator, then you are not going to be able to assign them to the State offices where there is room. There has got to be some way to work this thing out.

I know I wouldn't be, and I just don't think the Senate is prepared to double the staff. We don't want to be puny and not get our work out. We have the age-old argument about how can we face up to all of the experts in the executive branch? I hear some counter with the Proxmire experience. Well he had three people that faced down all of that Department of Transportation bunch of analysts, and consultants, all of the White House analysis and consultants, and everyone else on the SST and beat them all. It just abused me. I voted for the SST. I got beat.

I was rather intrigued by Proxmire with the little staff that he had beating us all. So it doesn't necessarily proportion out because the executive branch has the greater part of the staff.

Let me yield to Senator HUDDLESTON. Do you have any questions?

COST OF S. RES. 110

Senator HUDDLESTON. I think we have to deal with the cost figures on this proposal. Would you go over your estimates?

Senator GRAVEL. To dovetail, to split with you, Mr. Chairman——

Senator HOLLINGS. I think you say $11 million. We costed it out around to $46 million.

Senator GRAVEL. We corrected it. The figure is now $16,236,896. We had some incomplete data that became available only after the Secretary of the Senate published his report for the last 6 months of 1974. If every member took advantage of funds available under S. Res. 110 it would probably be a doubling of my estimate and would cost somewhere around $40 million, but that is not going to happen.

Senator HOLLINGS. You don't think they are going to take it?

Senator GRAVEL. No. I think the proof of the pudding is what people are doing right now. Let's take Senator Mansfield.

Senator HOLLINGS. Lord, you are not talking of a more frugal, self-denying fellow in and out of the Congress.

Senator GRAVEL. He turns back 28 percent. Why would he, since he has turned back 28 percent, why would he now go on out and hire more people? He obviously is clearly satisfied.

Senator HOLLINGS. They tell me there was an article by Jack Anderson in the morning Post about all of the Senators turning back funds. I didn't see it; did you?

Senator GRAVEL. No.

Senator PACKWOOD. It is in The Post this morning.

Senator HUDDLESTON. I didn't see your name in it.

Senator HOLLINGS. I turned back some. What proportion of Senators from your study, Senator, return funds?

Senator GRAVEL. The amount of money would be $4.5 million. First, if I could take you through the cost. Under the first part of this resolution, sections 8(a)(l) and 8(a)(2), for the A committee assignments, that would be 69,726 by the number of members assigned to A committees. That is 220 members that would be assigned to those A committees. That comes to 15,347,640. This is in my statement.

OFFSETS TO COST OF S. RES. 110

We will give you these spread sheets. It is a little easier to follow than the text. The first line is if every member took it. You would have $15.3 million. We subtract the ranking members; that would be the chairmen of the committees and the ranking Republican member, who would not, because they already have staff under the committee allotment.

There would be no duplication. Otherwise, they would be compounding, so to speak.

So that deduction is $1.9 million. That gives you a net of $13,394,309.

Senator HOLLINGS. Does the wording of the bill exclude the ranking member?

Senator GRAVEL. No.

Senator HOLLINGS. And chairman?

Senator GRAVEL. No. We just think that because the high turnback figures positively correlate with those who are in leadership roles that we can assume that they will not use new funds.

Under the next section, your B and C committee members would be entitled to $34,881 multiplying this sum times the number of assignments, and that is $5.3 million. Subtracting full committee chairman and ranking members, gives you a net of $4.1 million.

Under section (9) is when you deal with subcommittee chairmen and ranking members of subcommittees. On the basis of 240 members times $69,762 would give you a total tab of $16.7 million. Again, decreasing it by the number of ranking members, you decrease it by $941,787.

That gives you a net for that section of $15.8 million. You add up all of the nets and you come to $33,346,236.

You go below the line and you draw a parallel from actual experience. You subtract the amount available under S. Res. 110 from those Senators who are not full committee chairman or ranking minority members but who turn back 10 percent or more of their presently available clerk hire funds and you arrive at a $11.1 million deduction.

Then the next deduction is the $2.7 million, which is figuring that 20 subcommittees which cannot rationalize an expansion of staff.

Let me give you an example of some of those subcommittees. Harrison, can you recall an example of a subcommittee that can't rationalize an increase in staff? Can you think of one offhand?

Senator HOLLINGS. Isn't there one on memorials and holidays?

Senator GRAVEL. Yes; something like that. There are far more than 20 of them that would have additional needs.

JOINT COMMITTEES

Senator HOLLINGS. How about service on the joint committees like the Committee on Congressional Operations, on which you serve. Would you need a $34,000-a-year staffer for that?

Senator GRAVEL. What?

Senator HOLLINGS. I thought you were on the joint committee?

Senator GRAVEL. Yes; Joint Committee on Congressional Operations.

Senator HOLLINGS. You don't need somebody for $34,000, do you? That would be more than you are paying these fellows here.

Senator GRAVEL. I am not the chairman of that committee.

Senator HOLLINGS. Under your bill, it would be covered as a C committee. Anyway, go ahead with your statement.

UNSPENT CLERK HIRE

Senator GRAVEL. The next deduction would be the actual hard money that was not spent under clerk hire. We are taking that as a deduction since it was not spent in 1974 thus enabeling us to arrive at a new money cost.

Senator HOLLINGS. That is not part of the $11.1 million?

Senator GRAVEL. No; the $11.1 million is Senators who would not avail themselves of more made available under S. Res. 110.

Senator HOLLINGS. More than 10 percent. Then you come down to those who didn't spend some $4 million in 1974. That could be a part of it.

Senator GRAVEL. No. Let me explain. It is not the same figure. This 10 percent right here are the number of Senators who are not ranking members and we take that number and we subtract.

This other figure is clerk hire funds available in 1974 but not spent. So we are deducting it to arrive as a new money cost. So we come out with an estimate of $16.2 million.

The reason why we made original errors in computation is because the people who had the information were playing games with us, hiding information. All we want to do is present an exact accounting of what it would cost.

Senator HOLLINGS. Senator Schweiker?

CLERK HIRE USAGE IN HIGHLY POPULATED STATES

Senator SCHWEIKER. First, I am one of the sponsors of the bill. I want to sound one minor note of difference, Mike, with you. You made the point, just a minor point, really, that as a Senator you elect to take from your case and letter answering staff to do your legislative staff.

As a large State Senator, as much as, theoretically, I might have that option, I really don't have the option because I have to answer that mail.

I just got a figure here, when I was a Congressman, I had one staffer for every 31,000 people. Now that I am a Senator, I am allowed one staffer for every 266,000 people.

So I think we ought to just consider the ridiculous position that we Senators put ourselves in; that is, that we give a House member nine times more staff per population than the Senate.

So in my State, I've got to scream for the squeaky wheel which is answering mail. I don't have that luxury because I have to answer the mail first. But as a Congressman, I had one staffer for every 31,000 people. Now I have one staffer for every 266,000 people. Even though there is a population formula, it isn't adequate. It is terrible. We can't even do our regular work. This doesn't detract from your argument in any way, but shows a larger State Senator really has less ability to work the thing out even though theoretically he could.

Senator GRAVEL. I support an increase and I believe that the committee is addressing itself to it.

Senator SCHWEIKER. We are really giving the House members nine times more staffers per unit of population than we give ourselves at least in some larger States.

I don't know. I didn't work out the smaller States. But we certainly have to have some relief, whether this is the exact wording, I don't know.

Senator GRAVEL. If I might say, that would address itself to the first amendment. There is no question we in the Senate need relief. That still doesn't obviate the efficacy of the principle.

Senator SCHWEIKER. No, I said it doesn't detract in any way. You are absolutely right. I have really zero staff time of my own personal staff to do any legislative work. It is just zilch. So you have to fight for staff in the committee. Maybe Senator Packwood might want to say something.

Senator HOLLINGS. We will be glad to hear from you, Senator Packwood.

STATEMENT OF HON. BOB PACKWOOD, SENATOR FROM OREGON

Senator PACKWOOD. Mr. Chairman, it wasn't my original intention to testify this afternoon. I ran into Mike in the subway.

Senator HOLLINGS. It wasn't my intention to hear him.

Senator PACKWOOD. I didn't want to burden the committee because I know the load you have. But I am a cosponsor with Mike. Mike and I and Bill Brock and Alan Cranston have pushed and hauled at this resolution for the last couple of months. I share the same frustrations that Senator Schweiker does.

I just jotted down some figures here: 1972, 42,000 letters; 1974, 48,000 letters; 1975 through April 15 of this year, 16,500; which we annualize will be around 55,000 to 56,000 this year. It is 4 years, up 14,000 in my office.

I am sure the percentage is roughly the same in everybody else's. I also make sure that the mail is answered and take care of casework. That does come first. I am left in the Finance Committee as is Mike, no staff, not any hidden staff, not any open staff. Whatever I can do in the Finance Committee is what I can squeeze out of my own personal staff.

I find when we get onto the floor, unprinted amendments come up; you are almost at a loss to know what you are voting on and

what the effect of what you are voting on is. The only way that we are going to solve this, especially when some committees will not allow members of personal staff to come into hearings, is to allow us to add people on committee staff that we can appoint, that will answer to us, that we will swear on the Bible if necessary we will use the committee staff and for that purpose only.

I, in turn, will then take some of the individual staff that I have who have to divide their time between casework, mail and committee work, and let them do solely my office work.

I don't see any other way around. I don't think we have to be embarrassed that we are asking for these kinds of allowances. The State Legislature, when I served, had their own staffs while we have been generous to executive staffs. I think the time has come when we don't have to apologize to the public or anybody else for asking for just adequate staff to be able to grasp and comprehend the major issues we face.

OFFICE MAIL VOLUME

Senator SCHWEIKER. Incidentally, my aide just told me we had 7,700 letters last week, the second highest since I have been here. We are getting flooded right now.

Senator GRAVEL. The same with us my office.

Senator HOLLINGS. Were they on Vietnam?

Senator SCHWEIKER. I guess a lot of it is in Vietnam. Only Cambodia exceeded it.

Senator PACKWOOD. It is up.

Senator SCHWEIKER. We are up about 20 to 25 percent this year alone.

Senator GRAVEL. My incoming mail has tripled since January. Something dynamic is happening with the American people. They must think we are running the Government. That is why they are writing to us. Somebody ought to tell them——

Senator HOLLINGS. They are afraid we are running it. That is what it is.

Senator GRAVEL. Either case, we have to write back and tell them what we are doing.

CHANGES IN COMMITTEE STAFFING

Senator HOLLINGS. The committees are beginning to recognize this. On the Finance Committee they never had more than four investigators. Now this year they have asked for 10 times the number, 40.

Senator GRAVEL. They were taking an element of our bill, I think S. Res. 110 added some pressure.

Of course, because of the actions of the Rules Committee in not facing up to the problems or responsibilities, we have nothing in Finance. We have gone through some major legislation. It doesn't look like we are going to see anything within the next couple or 3 months the way it is going right now.

So it may not pass until fall in that area. I might say that whatever is projected for the Finance Committee would be covered by this or mutually exclusive.

Senator HOLLINGS. There are 100 additional investigative employees that the committees have asked for. Yours is potential 1,073. You keep subtracting them due to the gentility of these committee chairmen, ranking members who are not going to take them.

Senator GRAVEL. But so would the Finance Committee not use all of those members because for instance Senator Talmadge sat there in committee saying he didn't need anybody else.

Senator PACKWOOD. You might recall that specifically offsetting any additional allowance, they are mutually exclusive. If the Finance Committee Resolutions were approved as it is and the Gravel proposal were to pass as it is, those people added to the Finance Committee, that resolution will be subtracted.

Senator HOLLINGS. There is an inequity, there isn't any doubt about that. I don't know that we will add one on every committee. I worked all the way up to getting a Republican assigned me on this committee, Mr. Warren Kane.

He was Senator Norris Cotton's staff man. I finally got him. That is not disparaging. He is the smartest; even though he is a Republican, he is the smartest one. Now Senator Schweiker doesn't have anybody.

But one of your colleagues, I read in that Isaacs article, got six. He has got more than all of us, but on this same Appropriations Committee, he said he was understaffed. I had to read the Isaacs article to find that out.

Senator GRAVEL. Mr. Chairman, the amount requested is 100 new investigative members in the Senate.

Senator HOLLINGS. I want to get my staff man, Mr. Kane here, to sit with your staff and find out the great disparity in the different figures so we will understand it.

APPROPRIATION FOR S. RES. 110

Senator HUDDLESTON. Where does the appropriation come from? Is it allocated to each individual committee?

Senator GRAVEL. It comes out of the contingency fund. So the day this passes, my resolution will take immediate effect. If I may I would like to comment once again on the jurisdictional aspect of my legislation.

Certainly it was no disrespect or lack of any thought that I introduced this as a rule change as opposed to an increase in legislative appropriation. I think, looking back, we probably got a much better participation from this committee than the Rules Committee. I would make that as a complimentary statement to you gentlemen. But be that as it may, we did chart that course for immediacy and it turned out not to be so immediate.

Again, many decisions in life, if you could look back and do it over again, you would probably change.

Senator HOLLINGS. If I am being more friendly than Senator Cannon, it is not intended.

Senator GRAVEL. I made no reference to Senator Cannon.

Senator HOLLINGS. You are just talking about Senator Huddleston and Senator Schweiker. I think they are cosponsors. However, I recognize we have to do something. I would rather have a formula so we would know where you were.

Senator GRAVEL. This is a formula.

Senator HOLLINGS. That is what I mean.

PRESENT COMMITTEE STAFFS

Senator GRAVEL. We have subcommittees on the Finance Committee but they have no staff. I am a chairman of the subcommittee and Bob is the ranking member. It isn't the same as being on the Judiciary Committee. Apparently they pay you with the title. In our case, there is the title but no pay.

Senator HUDDLESTON. It brings out the good point, the wide disparity between the committees without regard to the amount of work involved or the importance of it.

Senator PACKWOOD. Mike was very wise in not attacking that. You and I know the realistic problem, if we are going to revamp the committee structure and staff, that is a problem that will take more than 6 months, or a year.

Mike, I think, very wisely just drafts this resolution and says every Senator who serves on any committee gets X, whether he is here 1 year or 20 years. Then if the Appropriations, or Rules, committees, or the Senate, generally wants to attack the whole problem of why does the Judiciary Committee have tremendous budgets and why this Appropriations Committee has a relatively small budget, I think that is a separate problem.

Senator GRAVEL. The Judiciary Committee has half of what we are suggesting here. My proposal would obviously satisfy the younger members and the lower 50 in seniority who come here with ideals, with a desire they can do a lot of changing, help run the government, and all of that.

OFFICE STAFFS

Senator HOLLINGS. You need something to slow them down; don't you think?

Senator GRAVEL. You don't starve them.

Senator HOLLINGS. I don't see any that are really starved. Since we are on this area, there is another thing that bothers me as it does many in the group that have been around awhile. You are not going to cut back. I think we have to have the help particularly to answer the mail. That has got to be done.

There are many Senators who feel that is all they are doing is running around and responding to the staff. My staff fighting your staff, your staff competing with mine. It is sad. I heard a Senator the other day tell me another Senator hadn't been in his office for 3 years. It is just the staff.

Everybody is working for the staff, staff, staff; driving you nutty. In fact, they have hearings for me all of this week. It has gotten to the point where the Senators never actually sit down and exchange ideas and learn from the experience of others and listen. Now it is how many nutty whiz kids you get on the staff to get your magazine articles and get you headlines and get all of these other things done. That is my point.

Senator PACKWOOD. There is also, speaking of the situation, when you serve on two or more committees and you don't have the staff person to go to one committee meeting because you can't go to because you are at another one, to monitor what is going on.

Senator HOLLINGS. I am on the Communications Subcommittee, and they are talking about broadcasting, and are having hearings right now. I don't have anybody to go over there to the subcommittee hearings. I don't want to miss anything, but I don't know that I am missing anything.

Senator GRAVEL. That is the subjective decision.

Senator HOLLINGS. I know that. We have heard the particular subject three times in a row.

Senator GRAVEL. But it is still a subjective decision. What we are saying is, let's treat everybody equally, so if one feels that he must have more knowledge he has the staff resources to get that knowledge, but a person comes along and says he doesn't need more information—fine—he doesn't have to use the funds available under S. Res. 110. I feel the only way I can learn it is by being properly equipped. That is the whole process. That is the reason why most of the people above 50 percent in seniority aren't going to use a dollar out of this. Almost everybody below the line are going to use their money. When I vote on tax rebate legislation, I want to know that the impact of that is going to be on the economy; I don't; I vote these billions and billions of dollars, taking the judgment of others. I think the American people are prepared to pay for tools that we desperately need to do a better job for them.

We all ought to have a base of staff resources for legislative purposes. At least we can let us, as Theodore Roosevelt so ably said,

> Give everybody an equal chance at the starting line.

When you don't give younger persons the same equipment as an older person, you don't even give him a chance coming out of the starting blocks.

Senator HOLLINGS. I believe in equality of opportunity, not the outcome or result. I think maybe that is what you are looking for.

Senator GRAVEL. We are looking for opportunity.

Senator HOLLINGS. We thank you very much.

Senator GRAVEL. Thank you, Mr. Chairman. I appreciate it. We will be happy to have our staff working with Mr. Kane.

SECRETARY OF THE SENATE

STATEMENT OF FRANCIS R. VALEO, SECRETARY OF THE SENATE

ACCOMPANIED BY:

DARRELL ST. CLAIRE, ASSISTANT SECRETARY
MRS. MARILYN E. COURTOT, TECHNICAL ADVISER

BUDGET REQUEST

Senator HOLLINGS. The subcommittee will now consider the request of the Secretary of the Senate. There are currently 122 statutory positions assigned to the Secretary. All told, there are salaries amounting to $2,923,287.

By letter of March 21, the Secretary advised the subcommittee of certain increases requested for 1976. These increases include changes in the not-to-exceed rate of 19 current positions at an annual cost of $31,799; the establishment of a legislative information clerk position in the Senate Library; support of the newly established microfiche distribution facility also located in the Senate Library; the establishment of a five-man Senate Historical Office; and payment of travel expenses to employees of the Secretary.

We will insert the Secretary's letter of March 21 in the record at this point.

[The letter follows:]

United States Senate
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20510

March 21, 1975

Honorable Ernest F. Hollings
Chairman,
Senate Subcommittee on the Legislative Branch
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Thank you very much for your letter of March 7, 1975, and for the opportunity to submit to your subcommittee an advance of our hearing proposals for additional funds to provide for staff increases and new positions on the statutory and administrative payrolls. I have also included requests for new programs and services which will be made available to Senators to support, facilitate and expedite the discharge of their responsibilities.

The recommended changes, including a staffing analysis for those changes which I hope can be made on our rolls, are included herewith. I would be pleased to appear personally before your subcommittee in support of these requests and Mrs. Courtot of the Secretary's Office is prepared to talk with anyone on your staff whom you may designate to review the preliminaries of these requests.

Sincerely,

Francis R. Valeo
Secretary of the Senate

ADDITIONAL BUDGET REQUESTS FOR FISCAL YEAR 1976

Analysis

As part of a policy of improving the relative standing of employees in the lower and middle range positions of the Secretary's roll, I am requesting an increase in the NTE rate for 19 of my staff.

Editor, Digest

The Daily Digest is a valuable, quick reference to actions and schedules of the Senate. This publication includes summaries of legislative matters, Senate Floor activities and committee information. It contains the only official centralized schedule of committee activities. Responsibility for the preparation of the Digest and for the coordination of its information for input to the automated Congressional Bill Status System rests with the Editor. The task of preparing the Digest no longer is limited to eight or nine months a year as was the case sometime ago. It is now for all practical purposes, a year-round task. The Editor deserves compensation commensurate with this additional demand and for the high quality of the publication. The last time the annual rate for the position was raised was in 1969.

Clerk, Digest

The Digest Clerk assists the Editor and, in this capacity, is required to have not only secretarial skills but other competences. The Clerk is responsible for preparing the Daily Digest Index, which includes both Senate and House activities. The work hours are long, encompassing time when the Senate is in session and the additional hours necessary for the completion of the Digest copy prior to its submission to the GPO. The last change in the annual rate for the Clerk was made in 1969.

Bill Clerk/Assistant Bill Clerk

Every day that the Senate is in session the Bill Clerk and his assistant work from 9 a.m. to 5 p.m., plus any extra hours the Senate may be in session. These employees currently are not only performing their usual manual record keeping functions but are also preparing

information for entry into the evolving automated Congressional Bill Status System. In addition, they are called upon to answer questions related to the status of legislation. The increase in the volume of work and the introduction of automated systems require extra effort and time in order to adapt to a new technology. The annual rate of compensation for these positions has not been raised in the last 3-1/2 years.

Assistant Journal Clerk

The Assistant Journal Clerk has a statutory responsibility for the preparation of the official Senate Journal. This includes daily transcription from the Minute Book and preparation of the copy for the Senate Journal. The growth of the volume of legislation and the increase in the number of hours the Senate is in session have required considerable effort on the part of an Assistant Journal Clerk to carry out these tasks. In addition, there has been an increase in information requests from the floor and a responsibility for the preparation of information for entry into the automated Congressional Bill Status System. The annual rate for this position was last adjusted in 1956.

Special Assistant/Deputy Special Assistant

These individuals are called upon to work increasingly longer hours and to supervise a staff of clerk-messengers. They are at the lower end of the pay scale and the proposed salary increase will provide some degree of greater equity. The annual rate for these positions has not been changed since 1969 and 1955 respectively.

Messengers/Delivery Clerks/Assistant Messengers

These individuals are at the lowest end of the pay scale and there is a need to bring their salaries more in line with the increased cost of living in the Washington Metropolitan area. In addition, a few of the Clerk-messengers deserve merit increases for performing new services (for example, the pick up and delivery of the committee data collection forms for the automated Congressional Bill Status System and fill-in clerical and telephone reception duties.)

Clerk, Legislative Information

As part of a continuing effort to modernize procedures and adopt automated processes to Senate services, I am requesting a new position - Legislative Information Clerk. The incumbent will be in charge of the new automated legislative information center located in the Senate Library. With the addition of this center, the role of the underutilized Senate Library is expected to be revitalized.

In cooperation with the Senate Rules and Administration Committee, we have secured for the Library access through computer terminals to the Congressional Bill Status System as developed by the House which provides current information on the status of bills and resolutions as they move through the legislative process. In addition, the Senate Library now has a terminal tied to the Library of Congress computer facility with access to several of the automated services, e.g., Digest of Bills and Resolutions, Legislative Issues, Bibliographic citations, etc., which originate in that source.

The Senate Library staff has now been trained to use the equipment and will be able to respond without delay to requests on bill status. An explanatory announcement of the range of these services will be made to all Senate offices in early April. The Legislative Information Clerk in the role of coordinator of this information service must be familiar with the legislative activities of the Senate and have an ability to understand data processing concepts and relate these to the various legislative record keeping functions and information needs of the Secretary's Office, Members and Committees.

Chief Reporter of Debates

The existing statutory amount of $36,000 creates problems in the control of the payroll and the Financial Clerk has requested that the amount be changed to $36,089.

SECRETARY OF THE SENATE

Additional Budget Requests for FY 1976

Statutory Payroll

Position	NTE Rate 6-30-73,	NTE Rate 6-30-74,	Current NTE Rate	Proposed NTE Rate	Amount of Increase
Editor, Digest	$26,112	$27,360	$28,992	$33,522	$ 4,530
Clerk, Digest	10,608	11,115	11,778	14,194	2,416
Bill Clerk	13,872	14,535	15,402	18,120	2,718
Assistant Bill Clerk	9,792	10,260	10,872	12,080	1,208
Assistant Journal Clerk	13,872	14,535	15,402	18,120	2,718
Special Assistant	12,784	13,395	14,194	15,402	1,208
Deputy Special Assistant	10,880	11,400	12,080	14,194	2,114
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Delivery Clerk	9,248	9,690	10,268	10,872	604
Assistant Messenger	8,976	9,405	9,966	10,268	302
Assistant Messenger	7,888	8,265	8,758	9,966	1,208
Assistant Messenger	7,072	7,410	7,852	9,966	2,114
Chief Reporter of Debates			36,000	36,089	89
*Clerk, Legislative Information				18,120	18,120
					$49,919 Amount of Increase

*new position

NEW ACTIVITIES
MICROFICHE DISTRIBUTION SERVICE

The Secretary's Office will require additional funds to support the newly-established microfiche distribution facility located in the Senate Library. This is a part of the expanded services which are being made available to Members and Committees through the Secretary's Office.

The Library is engaged in two microfilming projects. The first and older of these projects involves Greenwood Press which has filmed the Congressional hearings (to the 89th Congress), the Committee Witness Index (to 1942) and will be filming committee prints. In the second project, the Congressional Information Service (CIS) is filming the U. S. Serial Set (includes Congressional documents exclusive of bills and resolutions) and the bills and resolutions starting with the 93rd Congress.

I have authorized the Senate Library to participate in these projects because it has one of the more complete collections of Congressional documents but is physically unable to house the entire bound collection. The collection has been scattered in three locations (Capitol, Library of Congress, and a warehouse in the District). Under the terms of various agreements, by making its holdings available to the micropublishers, the Senate Library will receive a complementary copy of the microfiche. This will give the Library many of its bound and scattered publications in a compact form which can be kept and utilized in the Capitol.

Unfortunately, the Library does not have a complete set of the CIS Microfiche Library, the hearings, prints, reports and documents from 1970 to 1974 and the bills and resolutions for the 90th-92nd Congresses are missing. In lieu of the Library purchasing these microfiche, the Budget

Committee which has need of some of these missing items, expended its funds to purchase the 1973-1975 CIS Microfiche Library and the bills and resolutions for the 91st and 92nd Congress and transferred them to the Library.

In order to make the total microfiche collection of the Library available to the Budget Committee and to the Senate as a whole the Secretary's Office has arranged with the publishers for the Senate to make copies of the materials for its own use. The Library will distribute on request materials on microforms obtained from the publishers. The Library itself does not engage in any actual filming and, hence, avoids the great costs which would otherwise be incurred.

The Committee on Rules and Administration has approved this activity and asked the Sergeant at Arms to provide the Library with the necessary supplies and equipment for the initial service. However, the on-going operating costs will need to come from appropriated funds. The estimated cost is $2,000 annually which should be added to the Library's stationery allowance. This includes microfilm reader/printer paper, duplicating film, microfiche envelopes, etc.

SENATE HISTORICAL OFFICE

The main function of the Senate Historical Office which is proposed would be to collect and disseminate to the public primary documents produced by the Senate and which have heretofore not been made public. It is my hope that it will help to correct the lack of public understanding of the historic and the current role the Senate plays in making national policy.

It is envisioned that after an initial organizational phase, the Historical Office can be operated in conjunction with the Senate's Commission on Art and Antiquities' and, as does that office, function under the joint non-partisan supervision of the Majority and Republican leaders, through the Office of the Secretary of the Senate.

It is estimated that the staff requirements would be, three historians, and two clerical or secretarial assistants, for a total cost of less than $100,000 per year. Therefore, I request an increase of $99,962.00 in the Administrative Fund under my control to carry out the purpose of this proposal on an experimental basis. This small staff would serve not only in the organization of the Senate's historic documentation, but also as a clearing house for public requests for information on historical subjects concerning the Senate.

The historic background which undergirds the current role of Congress in our government will be set forth in systematic fashion through the work of the historical office which, we hope, will help to increase public understanding of this institution.

The proposal for an historical office has the support of the Majority and Minority leaders. See attached correspondence.

SECRETARY OF THE SENATE

Additional Budget Requests for FY 1976

Administrative Fund

Position	NTE Rate 6/30/74	NTE Rate 6/30/74	Current NTE Rate	Proposed NTE Rate
Senate Historian				$28,086
Senate Historian				26,123
Senate Historian				24,009
Clerk				12,080
Clerk				9,664
				$99,962 total addition to Administrative Fund

March 18, 1975

Honorable Ernest F. Hollings
Chairman
Legislative Branch Subcommittee
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Pursuant to discussions with the Majority and Republican leaders and with their concurrence, I am detailing herewith a proposal for consideration by your Subcommittee for inclusion in the Legislative Appropriations Bill, FY 1976. It is my hope that it will help to correct the lack of public understanding of the historic and current role the Senate plays in making public policy.

The proposal calls for the creation of a "Senate Historical Office" whose main function would be to collect and disseminate to the public primary documents produced by the Senate and which have heretofore not been made public. The amount of important material not available to the public is vast; much of the Senate's business in the past was conducted in meetings whose records have been long locked away and forgotten somewhere. The historical series the Senate Foreign Relations Committee has published since January 1973 is indicative of what can be achieved by concentration on this problem. The Committee has so far published five volumes of executive session hearings on the Truman Doctrine, the Marshall Plan, the Vandenberg Resolution, NATO, and early aid to China and Korea. These documents are published without commentary or editorial comment and are currently being used by historians and others of the academic community with keen interest. This channel is important because through the academic community the nation gains much of its understanding of our past.

The Foreign Relations Committee is only one Committee of the Senate. What of other documents in other Committee files? What has become of the mass of executive session and unpublished transcripts that have accumulated in basement safes and storage bins since the Legislative Reorganization Act of 1946? I think that three things can safely be said about the Senate's long forgotten documents: (1) a small portion of them are significant enough to justify publication; (2) most should be made available to scholars at the National Archives, as the law already provides that the Secretary of the Senate shall do; and (3) some may still be too sensitive to be made public. A precise answer is impossible to give because nobody really knows. A Senate Historical Office would have the function of helping the Senate's various sub-units and offices to differentiate between what is worth publishing, what might be sent to the National Archives, and what might be filed for release at a future date. A Historical Office would furnish the expert knowledge and manpower needed to make these differentiations and prepare documents for publication.

There is also a need to collect and preserve photographs depicting the history of the Senate at least since Matthew Brady's times. To this end, it is anticipated that the development of the

photographic history of the Senate would be a logical function of the Historical Office. Photographs of Members who have served in the Senate of the United States, as well as the photographic record of the significant and historic events that are so much a part of this institution's fabric, need to be identified and collected on a continuing basis. At this point, these essential documents are scattered throughout the country, in private and public collections, and are often lost or destroyed for lack of interest in their preservation.

It is envisioned that after its initial organizational phase, the Historical Office could operate in conjunction with the Commission on Art and Antiquities' Curator's Office and, as does that office, function under the general supervision of the Majority and Republican leaders through the office of the Secretary of the Senate.

It is estimated that the staff requirements would be, three historians, at salaries not to exceed $28,086., $26,123., and $24,009., and two clerical assistants and/or secretarial assistants, at salaries not to exceed $12,030. and $9,666., for a total cost of less than $100,000. per year. Therefore, I request an increase of $99,962.00 in the Administrative Fund under my control, to carry out the purpose of this proposal. This small staff would serve not only in the organization of the Senate's historic documentation, but also as a clearing house for public requests concerning historical subjects.

On its face this proposal appears to be an innovative act, but it is innovative only in so far as Congress is concerned. Executive Branch departments and agencies have long had large historical offices and have long published or made public many of their important confidential papers. At the beginning of this decade there were more than 620 professional historians employed by the Federal government. The State Department Historical Office, for example, with its 38-person staff, has published for the past century confidential diplomatic correspondence in the Foreign Relations series. Most of its unpublished files are open to the public through 1947. Other government agencies and departments that have established historical offices include the various branches of the armed forces, the Departments of Agriculture, Labor, and Transportation, Atomic Energy Commission, and NASA, to name a few.

The Senate's old confidential files are no less important to contemporary Americans in the understanding of their history. To that end, the historic background which undergirds the current role of Congress in our government should be set forth in systematic fashion. The creation of a Senate Historical Office will allow that history to be written and will directly help increase public understanding.

With best wishes,

Sincerely,

Francis R. Valeo
Secretary of the Senate

TRAVEL AUTHORITY

It has been my objective to promote professionalism within my office in order to provide the best possible service to the Senate. Those individuals with technical expertise and professional backgrounds must keep abreast of activities within and related to their fields or they will quickly have obsolete skills. The best ways to maintain these skills are through membership and active participation in professional associations, continuing education, access to and reading of professional literature, and personal visits to government and business organizations to benefit from the experiences of others.

I wish to encourage my staff to participate in these activities and I am requesting that travel authority be granted to support this program. This could be accomplished by modifying 2 U.S.C. 442 which applies specifically to the Federal Election Campaign Act of 1971 to include all travel related to the Secretary's Office. It is anticipated that the PL 93-442 Federal Election Campaign Amendments Act of 1974 will require authority for travel since the Secretary of the Senate is an ex officio member of the Commission and serves as custodian for the Commission.

(d) Rules and regulations; congressional cooperation.

(1) The Commission shall prescribe suitable rules and regulations to carry out the provisions of this title, including such rules and regulations as may be necessary to require that -

(A) reports and statements required to be filed under this title by a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, and by political committees supporting such candidate, shall be received by the Clerk of the House of

Representatives as custodian for the Commission;

(B) reports and statements required to be filed under this title by a candidate for the office of Senator, and by political committees supporting such candidate, shall be received by the Secretary of the Senate as custodian for the Commission; and

(C) the Clerk of the House of Representatives and the Secretary of the Senate, as custodians for the Commission, each shall make the reports and statements received by him available for public inspection and copying in accordance with paragraph (4) of subsection (a), and preserve such reports and statements in accordance with paragraph (5) of subsection (a).

(2) It shall be the duty of the Clerk of the House of Representatives and the Secretary of the Senate to cooperate with the Commission in carrying out its duties under this Act and to furnish such services and facilities as may be required in accordance with this section.

(2 U.S.C. 438(d)

In 2 U.S.C. 61a-9, the Secretary of the Senate was granted the authority to provide travel advances not to exceed $1,500. I have found this provision extremely helpful in carrying out my duties, because it has relieved my staff of making large personal expenditures to carry out Senate business. An amendment of this title to eliminate the specific reference to the Federal Election Campaign Act would expand this authority to include all activities of my office.

Should the Committee not approve this request for broader travel authority the existing authority should continue in order to support the activities related to my custodial duties under the Federal Election Campaign Amendments Act of 1974.

Senator HOLLINGS. Hon. Francis R. Valeo, Secretary of the Senate, is present to testify to the 1976 requirements of his office. Mr. Valeo, we welcome your presence and please summarize your plans for the coming year for the subcommittee.

Mr. VALEO. Thank you very much, Mr. Chairman. I appear before your committee to request a total appropriation of $3,085,553 for salaries in the Office of the Secretary for fiscal 1976. This sum includes funds for the Disbursing Office, upgrading of 19 statutory positions and several new positions on the statutory and administrative payrolls. Also included are requests for new programs and services which will be made available to Senators to support, and expedite the discharge of their responsibilities.

The request reflects an increase of $162,263 over the budget estimates for fiscal year 1976. Of the additional money, $99,962 would be allotted to the Administrative Fund for staff salaries in a Senate Historical Office.

SENATE HISTORICAL OFFICE

What is proposed is similar to that which has been done by the Federal departments and agencies for many years. The main function of the new office would be to collect and disseminate in a scholarly fashion documents and other papers produced by the Senate, many of which have heretofore not been made available to the public.

The office would be expected not only to organize the Senate's historic documentation, but also to serve as a clearinghouse for public requests for information on historical subjects concerning the Senate.

After an initial phase, it is hoped that the Historical Office can be operated in conjunction with the Senate's Commission on Art and Antiquities. As does the Commission, the office would function under the nonpartisan supervision of the Majority and Minority leaders, and be staffed by personnel of the Secretary of the Senate.

The proposal, I should add, has the full support of the majority and minority leaders.

Senator HOLLINGS. The correspondence relative thereto will be placed the record at this point.

[The correspondence follows:]

United States Senate
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20510

March 18, 1975

Dear Mr. Chairman:

Pursuant to discussions with the Majority and Republican leaders and with their concurrence, I am detailing herewith a proposal for consideration by your Subcommittee for inclusion in the Legislative Appropriations Bill, FY 1976. It is my hope that it will help to correct the lack of public understanding of the historic and current role the Senate plays in making public policy.

The proposal calls for the creation of a "Senate Historical Office" whose main function would be to collect and disseminate to the public primary documents produced by the Senate and which have heretofore not been made public. The amount of important material not available to the public is vast; much of the Senate's business in the past was conducted in meetings whose records have been long locked away and forgotten somewhere. The historical series the Senate Foreign Relations Committee has published since January 1973 is indicative of what can be achieved by concentration on this problem. The Committee has so far published five volumes of executive session hearings on the Truman Doctrine, the Marshall Plan, the Vandenberg Resolution, NATO, and early aid to China and Korea. These documents are published without commentary or editorial comment and are currently being used by historians and others of the academic community with keen interest. This channel is important because through the academic community the nation gains much of its understanding of our past.

The Foreign Relations Committee is only one Committee of the Senate. What of other documents in other Committee files? What has become of the mass of executive session and unpublished transcripts that have accumulated in basement safes and storage bins since the Legislative Reorganization Act of 1946? I think that three things can safely be said about the Senate's long forgotten documents: (1) a small portion of them are significant enough to justify publication; (2) most should be made available to scholars at the National Archives, as the law already provides that the Secretary of the Senate shall do; and (3) some may still be too sensitive to be made public. A precise answer is impossible to give because nobody really knows. A Senate Historical Office would have the function of helping the Senate's various sub-units and offices to differentiate between what is worth publishing, what might be sent to the National Archives, and what might be filed for release at a future date. A Historical Office would furnish the expert knowledge and manpower needed to make these differentiations and prepare documents for publication.

There is also a need to collect and preserve photographs depicting the history of the Senate at least since Matthew Brady's times. To this end, it is anticipated that the development of the photographic history of the Senate would be a logical function of the Historical Office. Photographs of Members who have served in

the Senate of the United States, as well as the photographic record of the significant and historic events that are so much a part of this institution's fabric, need to be identified and collected on a continuing basis. At this point, these essential documents are scattered throughout the country, in private and public collections, and are often lost or destroyed for lack of interest in their preservation.

It is envisioned that after its initial organizational phase, the Historical Office could operate in conjunction with the Commission on Art and Antiquities' Curator's Office and, as does that office, function under the general supervision of the Majority and Republican leaders through the office of the Secretary of the Senate.

It is estimated that the staff requirements would be, three historians, at salaries not to exceed $28,086., $26,123., and $24,009., and two clerical assistants and/or secretarial assistants, at salaries not to exceed $12,080. and $9,664., for a total cost of less than $100,000. per year. Therefore, I request an increase of $99,962.00 in the Administrative Fund under my control, to carry out the purpose of this proposal. This small staff would serve not only in the organization of the Senate's historic documentation, but also as a clearing house for public requests concerning historical subjects.

On its face this proposal appears to be an innovative act, but it is innovative only in so far as Congress is concerned. Executive Branch departments and agencies have long had large historical offices and have long published or made public many of their important confidential papers. At the beginning of this decade there were more than 620 professional historians employed by the Federal government. The State Department Historical Office, for example, with its 38-person staff, has published for the past century confidential diplomatic correspondence in the Foreign Relations series. Most of its unpublished files are open to the public through 1947. Other government agencies and departments that have established historical offices include the various branches of the armed forces, the Departments of Agriculture, Labor, and Transportation, Atomic Energy Commission, and NASA, to name a few.

The Senate's old confidential files are no less important to contemporary Americans in the understanding of their history. To that end, the historic background which undergirds the current role of Congress in our government should be set forth in systematic fashion. The creation of a Senate Historical Office will allow that history to be written and will directly help increase public understanding.

With best wishes,

Sincerely,

Francis R. Valeo
Secretary of the Senate

STAFFING FOR HISTORICAL OFFICE

Mr. VALEO. The estimated personnel requirements are three historians and two clerical or secretarial assistants. The total cost would be less than $100,000 per year. Actually, an increase of $99,962 in the Administrative Fund is sought to put this proposal into effect. I submit for the record a table of proposed positions.

[The document follows:]

SECRETARY OF THE SENATE

Additional Budget Requests for FY 1976

Administrative Fund

Position	NTE Rate 6/30/74	NTE Rate 6/30/74	Current NTE Rate	Proposed NTE Rate
Senate Historian				$28,086
Senate Historian				26,123
Senate Historian				24,009
Clerk				12,080
Clerk				9,664
				$99,962 total addition to Administrative Fund

OPENING OF OLD SUPREME COURT CHAMBER

Mr. VALEO. At this time, I am pleased to inform you as Executive Secretary of the Commission on Art and Antiquities that the Old Supreme Court Chamber has been restored to its appearance when last used by the Court over a century ago. It will be officially opened on May 22. This represents the culmination of many years of effort by you, Mr. Chairman, and your associates on this committee, and of the joint leadership and other members, as well as the personnel of the Architect's Office and the personnel of the Commission on Art and Antiquities. In particular, I would mention the dedicated work of Mr. Mario Campioli, the Assistant Architect of the Capitol and James Ketchum, the Senate's Curator.

I hope that it will be possible for you and the other members of this committee to attend the formal opening.

I believe that the thousands who visit the Capitol during the Bicentennial will find this historic meeting place a most fitting testimony to the Nation's ideal of equal justice under law.

SALARY ADJUSTMENTS

Another part of the requested overall increase, $62,301, is needed to provide minor salary adjustments for 19 positions and to fund two new positions: a clerk, legislative information, and a clerk, stationery room.

The salary increases are a part of a policy designed to improve the standing of employees in the lower and middle range of the Secretary's roll. The majority of these individuals have not had an annual rate increase in over 5 years, during which there has been a heavy increase in work load. I submit a chart detailing these salaries and the proposed increase.

Senator HOLLINGS. It will be included in the record.

[The document follows:]

Additional Budget Requests for FY 1976

Statutory Payroll

Position	NTE Rate 6-30-73	NTE Rate 6-30-74	Current NTE Rate	Proposed NTE Rate	Amount of Increase
Editor, Digest	$26,112	$27,360	$28,992	$33,522	$ 4,530
Clerk, Digest	10,608	11,115	11,778	14,194	2,416
Bill Clerk	13,872	14,535	15,402	18,120	2,718
Assistant Bill Clerk	9,792	10,260	10,872	12,080	1,208
Assistant Journal Clerk	13,872	14,535	15,402	18,120	2,718
Special Assistant	12,784	13,395	14,194	15,402	1,208
Deputy Special Assistant	10,880	11,400	12,080	14,194	2,114
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Clerk	9,248	9,690	10,268	11,778	1,510
Delivery Clerk	9,248	9,690	10,268	10,872	604
Assistant Messenger	8,976	9,405	9,966	10,268	302
Assistant Messenger	7,888	8,265	8,758	9,966	1,208
Assistant Messenger	7,072	7,410	7,852	9,966	2,114
Chief Reporter of Debates			36,000	36,089	89
*Clerk, Legislative Information				18,120	18,120
*Clerk, Stationery Room				12,382	12,382
					$62,301 Amount of Increase

*new position

LEGISLATIVE INFORMATION CLERK

Mr. VALEO. The new position, legislative information clerk, is part of a continuing effort to modernize procedures and adopt automated processes to Senate services.

This position is to be located in the Senate Library and its incumbent will be in charge of the new automated legislative information center. I have sent a letter to all offices announcing the service and a brochure describing its functions.

Senator HOLLINGS. Yes; we are well aware of that, in fact we discussed it earlier today with the Sergeant at Arms. I will include in the record, the letter you sent my office.

[The letter follows:]

United States Senate
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20510

April 14, 1975

Honorable Ernest F. Hollings
United States Senate
437 Russell Office Bldg.
Washington, D. C. 20510

Dear Senator Hollings:

The Committee on Rules and Administration (Subcommittee on Computer Services), the Committee on House Administration (House Information Systems), the Secretary of the Senate and the Senate Sergeant at Arms are engaged, jointly, in a long-range program to provide modern techniques of information storage and retrieval to the Senate. One aspect of this program involves the development of a legislative tracking system. The goal of this effort is the creation of a computer data base which will permit Senators to make inquiries regarding the status and content of legislation by means of terminals located in Senators' and committee offices.

I wish to announce that an important step toward this goal has now been completed. A Legislative Information Center is operating in the Senate Library with services available to you and your staff. The Center is equipped with access to two automated systems designed to record, store and retrieve information concerning the status of legislation current as of the close of business of the previous day.

One system which is popularly known as "Aquarius," can provide a number of services as described in the enclosed brochure. The system is responsive to questions on legislative status posed either by bill number, sponsor and cosponsor or committee and subject matter, etc. In addition, detailed profiles of the status of legislative measures are readily retrievable through this system. A valuable feature of the system is the automatic tracking service which provides reports of legislative action on bills of special interest. As new actions occur, the information is updated. Printed reports reflecting the latest status are automatically generated and are sent to subscribers on the following morning.

The second system available to the Senate Library Information Center is the Legislative Information Display, which was developed by the Library of Congress and is popularly known as "Scorpio." This service gives access to several different data bases, three of which are related to legislative information. The first of these data bases is the Bill Digest File which provides an abstract or summary of the provisions of legislative measures introduced in the Congress; the second is the Major Issues File which offers background information relating to important issues of public policy; and the last is the Bibliographic Citation File which lists references to published materials on a variety of subjects related to significant current issues.

I am pleased to inform you that all of these services are now available for your use on demand. Telephone inquiries may be directed to the Senate Library (extension 4-2971) where specially-trained staff will query the system for you and relay its response while you are on the telephone. Questions regarding these services should be addressed to Scott Bates, Legislative Information Clerk, (4-2971).

The Secretary's Office hopes that these systems will fill a significant Senate need for detailed, accurate and timely information concerning legislation and, at the same time, pave the way for further advances in the application of modern automated techniques to the management, retrieval and utilization of factual information relevant to the legislative process.

Sincerely yours,

Francis R. Valeo
Secretary of the Senate

Senator SCHWEIKER. Is that one of the documents?

Senator HOLLINGS. That tells what everybody has got but me and 98 percent of the Senators. Yet, the whole intent was to get it to the Senators. How do you explain that?

Senator SCHWEIKER. I think the document is very helpful.

Senator HOLLINGS. The document is very helpful, but it is not helpful to me trying to get this service for Senators.

Mr. VALEO. If I may continue shortly with my statement, I will lay it out.

Senator HOLLINGS. How did you get a terminal? We found one hidden away and we got it for Senator Schweiker. We will get another hidden one and I will give it to Senator Huddleston and then I will get one. We appropriated over 2 years ago for these things. Go ahead.

LIBRARY COMPUTER TERMINAL

Mr. VALEO. With the cooperation of the Senate Rules and Administration Committee, and the staff director of its Subcommittee on Computer Services, John Swearingen, we have secured for the Senate Library access through computer terminals to the Congressional Bill Status System as developed by the House.

The Senate is now in a position to offer to its members a legislative tracking system comparable to that of the House.

In addition, the Senate Library has a terminal tied to the Library of Congress with access to several of its automated services, for example, Digest of Bills and Resolutions, Legislative Issues, Bibliographic citations, and so forth.

With the addition of the information center, we have been able to carry out a suggestion of this committee which was to try to make fuller use of the Senate Library. I regard these new services as the beginning of the Library's revitalization.

ACCESSIBILITY OF LIBRARY

Senator HOLLINGS. Do you think that library is still properly located as far as accessability is concerned?

Mr. VALEO. What we do have there in the library, Senator, as you probably know from the brochure, is a telephone number which any office can reach. Anyone in the Senate can call to get a reading on the status of any bill that they might want or any of the information which might be available from the Library of Congress.

We will try to elaborate in subsequent notes to the offices as that service begins to operate effectively.

Senator SCHWEIKER. These are two separate terminals?

Mr. VALEO. We have a number of terminals tied to two different systems.

Senator SCHWEIKER. I understand we can't do both on one terminal. We have to have two, one to tie into the Library of Congress and another terminal to tie into the Senate computer to get the House bill status data.

Mr. VALEO. That is correct, Senator. Mrs. Courtot, who is very familiar with the technical details of this, can give you a fuller explanation of why that is so.

Mrs. COURTOT. We are not tied to the House of Representatives computer. I think that it is fair to say, however, that the system running on the Senate computer, is the same system as in the House. Three terminals in the Senate Library are tied to the Senate computer. One other terminal is tied to the Library of Congress. We are not tied to the House of Representatives computer.

Mr. VALEO. We exchange information daily with the House, but we are not tied to their computer as such.

The new computer information service which is just getting under way is a beginning and I trust that the Senate will be patient with us—we have only been involved in this for about 6 months. I have not been involved in the earlier part.

Senator HOLLINGS. You are the big secretary of it. You are supposed to be running these kind of things. Look, we just don't have it. They give us all kinds of literature, pretty colored brochures and statements of the chairman that it was for Senators. Senators are the only people that don't have it.

Go right ahead, sir. Iron out the wrinkles. I made the comment that if the Pentagon had an operation like this, the Senators would all be on Walter Cronkite tonight, telling the world what a great waste it was.

Yet, when we can't run our own little programs over here. That is hard to beat. It is worse than the Pentagon. Do you agree? We don't have the microfilm, we don't have the computer, we don't have the terminals. For 2 years we have been appropriating for it. I hope we will get it some day. They said a year. Go right ahead.

Mr. VALEO. I should add I don't have any direct funds for any of those Library Services. I am asking for my first appropriation for $2,000 that will come in my statement shortly.

Nevertheless, I do believe that the step we try to take at the Library in conjunction with the Rules Committee and the Sergeant at Arms is going to be a positive step in providing these modern techniques of information storage and retrieval.

[CLERK'S NOTE: The following letter was received by the committee subsequent to the hearing and has been placed in the record at the direction of the chairman.]

[The letter follows:]

United States Senate
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20510

April 28, 1975

Honorable Ernest F. Hollings
Chairman,
Senate Subcommittee on the Legislative Branch
United States Senate
Washington, D.C. 20510

Dear Senator:

During my appearance before your subcommittee on Monday, April 21, 1975, we had an exchange about the automated information services which are beginning to come into operation in the Senate. In reviewing the testimony I feel that my responses to your questions were insufficient to clarify the participation of my office in this project.

We have obtained access for the Senate Library to the two automated systems, that is, the House and the Library of Congress systems, in order to provide services not so much for the Secretary's Office but for all Senators' and Senate committee offices. This service is intended to fill an interim need of Senators for legislative information while the Committee on Rules and Administration (Subcommittee on Computer Services), the Committee on House Administration (House Information Systems), the Senate Sergeant at Arms, and my office work jointly, on the long-range program to provide modern techniques of information storage and retrieval to the Senate. As previously stated, the goal of this effort is the creation of a computer data base which will permit Senators to make direct inquiries regarding the status and content of legislation by means of terminals located in Senators' and committee offices.

It is not within the authority of my office to install terminals in Senators' offices. My requests to the Rules Committee in this respect are limited to offices which are directly under my supervision.

The letter and brochure which you received were sent to all offices merely to announce the interim availability to Senators and Senate staff of prompt legislative status information by means of a single phone call to a centralized Senate facility namely, the Senate Library. The information that is available under these systems is still limited but, at least, it constitutes a beginning. The Senate Library service uses both the information available from the Library of Congress and from the House-developed systems. In due course, a new or expanded and direct version of the service is expected to be put into operation. The direct supply of that system to Members, however, is not within the responsibility or power of the Secretary's Office although, of course, we will cooperate in any way possible to expedite its installation.

The new center in the Senate Library has enabled us, not only to supply an interim information service, crude as it may be, to Members and their offices but it has also permitted us to carry out a suggestion of your committee which was to try to make fuller use of the Senate Library. After being in service only seven days the Senate Information Service is already answering an average of 80 calls a day from Members' offices. In short, the Senate Library is now offering to Senators a legislative tracking system comparable to that of the House. Their phone number is 224-2971 and may I most respectfully suggest that you give them a call and ask them for status information on a bill in order to see how it works.

I can appreciate your dissatisfaction and I did not want to add to it by leaving an erroneous impression as to what is now available and its purpose.

With high esteem and regards,

Sincerely,

Francis R. Valeo
Secretary of the Senate

MICROFILMING U.S. SERIAL SET

Mr. VALEO. In cooperation with the other two offices and the new Budget Committee, the Senate Library is also engaged, for example, in two microfilming projects. The first and older involves the filming of committee prints.

In the second project, the Congressional Information Service (CIS) is filming the U.S. Serial Set (which includes congressional documents exclusive of bills and resolutions) and bills and resolutions starting with the 93d Congress. Each microfiche contains 98 book-size pages of information on one piece of film approximately 4 inches by 6 inches and can be duplicated for less than 5 cents.

Senator HOLLINGS. How does that Historical Office fit in with the microfiche project of the Senate Library?

Mr. VALEO. That is different. That would be under Senate Library direction. The History project hopefully will operate in time in conjunction with the Commission on Arts and Antiquities.

Senator HOLLINGS. Not in the Library itself?

Mr. VALEO. That will be a step beyond. But that has been the thinking. I would like to take it a step at a time, if I can.

Senator HOLLINGS. You get it in there from the beginning. I wouldn't know about your Historic Office. I do because you are asking and I am a Senator. You would find Senators 10 years from now who have never heard of it.

Yet, if they wanted to find a bit of information, if they couldn't get you personally, they would go to the Library, to try to find it.

Mr. VALEO. The two offices are physically located close to each other. I would expect that the two will integrate since the personnel in both places would be under my direction.

The Library can't make a paper print of a single print from the original for 5 cents. So I have asked that these duplicate microfiche which cover, as noted, 98 pages for 5 cents, be considered an expendable item. It would cost more to control their circulation than they are worth.

Senator HOLLINGS. What is the practical difference between microfilm, and microfiche?

Mr. VALEO. We will give you a sample of it. That is 98 pages of a book right there.

Senator HOLLINGS. That is like they have in the Records Section.

Senator SCHWEIKER. That costs how much?

Mr. VALEO. Less than 5 cents to reproduce.

Senator SCHWEIKER. How much does it cost to make it?

Mrs. COURTOT. That depends again on the equipment that you are using, the type of material you are filming. We are not doing the work. It is being done by a contractor. They sell it and they give us a free copy.

Mr. VALEO. It will cost us in the Senate nothing to create the microfiche. I have entered into an agreement with the micropublishers and they will give us a free copy of everything that they microfilm from the Senate in return for the rights to sell their own copies.

Mrs. COURTOT. We supply the original copy from the Senate Library.

Mr. VALEO. The Committee on Rules and Administration has approved this activity and authorized the Sergeant at Arms to provide the Senate Library with the necessary supplies and equipment for the initial service.

However, subsequent operating costs will need to come from appropriated funds. The estimated expenditure which is requested herewith is $2,000 annually and that amount should be added to the Library's stationery allowance.

TRAVEL AUTHORITY

Authority, without additional funds, is also requested to provide for travel by the Secretary's staff which is related to official Senate business and to professional activities.

What is requested here would simply put the Secretary's office in the same position as a Senate committee insofar as travel expenditures are concerned.

During the last year, two of my staff were required to make sudden unplanned trips on official Senate business. I approved the travel of these individuals on the premise that the Committee on Rules and Administration would authorize reimbursement for their expenses after the fact.

In one case mentioned, the Senate had adjourned sine die December 20, 1974, with four enrolled bills remaining which required a signature from the President of the Senate and the Speaker of the House.

Since the Vice President and the Speaker had both left town, it was necessary to dispatch the bills to them with the Parliamentarian to obtain the required signatures.

On another occasion (Aug. 28, 1974), the Assistant Parliamentarian had to take a bill for signature to the President pro tempore who was in Mississippi. The bill was sought urgently by the White House for the President's signature.

In this case, the White House paid the travel costs.

In all candor, Mr. Chairman, I do not think it proper for agents of the Senate to have to depend on sources other than the Senate for the conduct of Senate business.

In conjunction with the request for authority to approve travel by the Secretary's staff, I also ask the concurrence of the committee for permitting staff travel in support of their professional activities.

For all the years I have been your Secretary, I have sought to develop the concept of professionalism in the Office of Secretary, under a politically responsible Secretary in the conviction that such a course held promise of providing the best possible service to the Senate.

To be most effective, employees with technical skills and competence and professional responsibilities must keep abreast of activities within and related to their fields.

I think Mrs. Courtot exemplifies best what I have in mind. I think she is one of the city's outstanding authorities on this whole process of modernizing recordkeeping.

The best ways to maintain and increase their skills is through membership and active participation in professional associations, continuing education, in providing access to professional literature, and in obser-

vation of other organizations in order to benefit from their experiences.

The practices are widely followed, as you know, elsewhere in the Government as well as in private life.

I think it most desirable to encourage the staff of the Secretary's office to participate selectively in such activities and I am requesting authority to authorize travel for that purpose.

This proposal would not require additional funds. It could be accomplished by modifying 2 U.S.C. 442 which already permits the Secretary to authorize travel in connection with the Federal Election Campaign Act of 1971, or include all of the Secretary's offices.

In 2 U.S.C. 61a–9, the Secretary of the Senate was granted the authority to provide advances for travel not to exceed $1,500. This provision is helpful because it relieves staff of making advances of personal funds to carry out Senate business. An amendment to this title to eliminate the specific reference to the Federal Election Campaign Act would expand this authority to include other offices.

WITHHOLDING SALARY OF ABSENT MEMBERS

On another matter, I wish to bring to the committee's attention a reference to 2 U.S.C. 39 in articles in the Wall Street Journal, September 30, 1974, and the Washington Star, October 6, 1974.

The reference to 2 U.S.C. 39 which is quoted in the articles is as follows:

> The Secretary of the Senate and Sergeant at Arms of the House, respectively, shall deduct from the monthly payments of each Member or Delegate the amount of his salary for each day that he has been absent from the Senate or House, respectively, unless such Member or Delegate assigns as the reason for such absence the sickness of himself or of some member of his family.

From time to time, I am queried by citizens who demand to know why, as Secretary of the Senate, I do not make such deductions from Senators' pay. In Invariably, my response to these queries is as follows:

> The complexity of legislative demands upon a Senator, the calls made upon his time by his constituents, and the hours he must give to study of a wide range of current problems cannot be met in the present time except that he is sometimes away from the Senate.
>
> The fact is that a Senator has to be, and is, on duty at all times, 24 hours a day, whether in his home State or in committee or in the Chamber.
>
> His absence from Washington and the Senate floor at no time separates him from the continuing responsibilities of his office anymore than when the President is away from Washington, or the Supreme Court Justices are away from the Court on recess. The obligations of their office remain with them at all times.
>
> This statute to which you refer was adopted by Congress in 1856 when the pay system for Senators was changed from a per diem to an annual salary basis. It has not been used as a justification for pay deductions for over a century. We have checked the legislative history of the Act, and though there is nothing in the record to show it, a reasonable conjecture may be that it was directed at the time of adoption toward solving a growingly serious situation in which Senators, discouraged with the national legislative process in those years immediate to the Civil War, were absenting themselves on a continuing basis from Washington.
>
> The record does show, however, that nothing was said or indicated at the time that absence from the floor for travel from time to time outside Washington was to be interpreted as an absence.

This law has been on the books since August 1856. So far as I can determine, it has not been applied in the Senate since 1867.

I respectfully suggest that it be removed from the statute books as an irrelevant vestige. It not only has no contemporary meaning but, in all candor, I must say that I find its retention and the continued possibility of misrepresentation arising therefrom somewhat demeaning of the enormous responsibilities which are borne by every Member of the Congress.

Senator HOLLINGS. It would just take a simple clause to strike it from the books.

Mr. VALEO. It would just take a simple clause to strike it from the books.

Senator HOLLINGS. We will do that. If anybody wants to cosponsor it, including you, we will put you down.

Mr. VALEO. I would be delighted if I were able.

AUTHORITY TO ADJUST SALARIES

Finally, I reiterate a new form, my perennial request for a general provision of authority to the Secretary to revise titles and to adjust per annum salary rates within fiscal year aggregates.

SALARIES IN DISBURSING OFFICE

This authority already exists with respect to the Senate Disbursing Office where changes in the usage of $467,798 are under the control of the Secretary.

In the Appropriation Act for fiscal year 1970, the aggregate for the Disbursing Office is made available to the Secretary—

For personnel at such titles under per annum rates as may be necessary.

There are at present 26 positions in the Disbursing Office paid for from this aggregate, at titles and rates of pay which are established not by law but by my administrative action.

This approach has worked well in that office. Personnel are compensated on the basis of merit and responsibility and have job titles and job descriptions which conform to the duties performed.

EXTENSION OF SALARY FIXING AUTHORITY

I request that a similar authority be extended to all positions in the Secretary's office. I find little logic in permitting an arrangement of this kind in the one office of the Secretary but not for the others.

As previously stated, we have a large and growing group of professional career employees. They have a predictable cycle of retirements and departures in any given year. As younger persons move into senior positions, it has been my practice to start at rates below not to exceed limits set by this committee and as a result, a continuing surplus accrues which could be available to make various administrative adjustments required by changing circumstances.

I think this year we shall turn back approximately $300,000 as a result of this from our appropriations of last year.

Without such flexibility, the only alternatives are piecemeal adjustments, once a year, by Appropriations Acts of Congress. This has the effect of continually escalating the payroll, when in fact the existing aggregate could in effect be "recycled" to achieve the same effect.

Were I to have the authority I seek in the coming fiscal year, I would use it to grant modest pay increases to career employees—usually in middle or lower grades who bear an increasing burden of responsibility but whose pay has become stabilized in recent years.

Our low paid clerks, for example, who used to be identified as messengers and whose authorities have been broadened beyond just delivering messages, I don't think they have ever had an increase in grade. The only thing they have ever had are these cost-of-living increases over the years.

These are some of the individuals who will benefit from the adjustments which I have requested in that table. As a matter of fact, most of these individual requests would not be necessary had this general authority I am requesting existed. I could have taken care of these matters without having to bother you with them.

The plan will not have any effect on certain higher grade positions which have special statutory standing, such as the Secretary, Assistant Secretary, Parliamentarian, Financial Clerk, Chief Reporter of Debates, Assistants to the Majority and Minority. These would still require acts of Congress.

I might add also that the plan I am proposing has no bearing on patronage. The shrinking number of positions which are still allocated on the basis of party in the Secretary's office are generally lower paid jobs and they would continue to be compensated at present rates.

I am aware of your concern lest some Secretary of the Senate, if not I, a successor might jeopardize the integrity of the Senate payroll and the security of its professional staff. That danger, of course, is present in virtually any administrative office of the Government.

LIMITATION ON SALARY ADJUSTMENTS

Nevertheless, to minimize the risk in the Secretary's office, I propose that the Secretary's administrative authority to make payroll adjustments be limited. Each year my office would submit to the committee for review the total number of employees on the statutory payroll with an indication of the number of positions with a not-to-exceed rate greater than $20,000. Any fluctuation upward or downward greater than 5 percent in the total number of employees compensated above $20,000 will be clearly identified and brought to the attention of the committee.

This annual reporting should assure the committee that a Secretary of the Senate is not abusing the authority by using surplus funds to create unnecessary higher paying positions.

With respect to the level below $20,000, the authority sought is broad enough to permit the Secretary to establish new positions, providing, of course, there are adequate funds.

What I am proposing here is really what I regard as an essential adjunct to the effective management of staff that is very much akin to but much more circumscribed than what is generally the practice anywhere else in the Government.

CAMPAIGN FINANCES WORKLOAD

Senator HOLLINGS. Since the new Campaign Expenditures Commission has been organized, what has happened to the workload of the 14 positions in the Public Records Office? What do you intend to do?

Mr. VALEO. Let me explain to you that first of all the law, the new law, changes only one area of responsibility. That is the decision-making area and possibly a good deal of the auditing area, hopefully it does that.

The actual recordkeeping under the law may remain with the Secretary of the Senate. So the Office of Public Records in that sense would have to be maintained substantially as it is.

I have tried to make some estimates of how a change is likely to affect us when the Commission is operating fully. I think we have that. We can give you our best judgment at this point.

The Congress actually appropriated approximately $300,000 for that office. We expect to use $250,000 in this current year; thus turning back $50,000. We estimate that we could probably save another $50,000 and therefore cut our expenditures down to about $200,000.

I would ask you, however, Mr. Chairman, to hold back on that until the Commission actually gets functioning and we can see what our responsibilities are going to be in the next fiscal year. If we can, we will turn money back to the Treasury.

Senator HOLLINGS. Is there any compilation of rules and regulations, interpretations made by your office for the candidates? I know it was a hiatus. If you rule for candidate X, how does candidate Y or me or anybody else come along later and know that such a ruling has been had?

Mr. VALEO. I assume you are referring to the new law.

Senator HOLLINGS. The new law; that is right.

Mr. VALEO. The function of interpreting the law will now rest with the Commission. The Commission will draw up the regulations but this has not yet been done. I have had many requests from Members and from potential candidates and from committees of all kinds asking me for opinions on the new law.

I hesitate to give my opinions on it because the responsibility no longer rests with me. It rests now with the Commission.

Senator HOLLINGS. You turned over to the Commission your interpretations?

Mr. VALEO. Yes. They will have the book of regulations plus all of my records containing the individual guidance which we gave to Members or to candidates or to committees. All will be made available to the Commission. Hopefully, it will be able to adopt a great deal. But that will be the Commission's decision. I sit only as an ex officio member without a vote on that Commission.

VACANCIES IN STATUTORY POSITIONS

Senator HOLLINGS. How many vacancies currently exist in the statutory position of the Secretary's office?

Mr. VALEO. We have five at the moment.

COMPETITION WITH CAPITOL HISTORICAL SOCIETY

Senator SCHWEIKER. How much competition, Mr. Secretary, are we getting into with the Senate Historical Office and the Capitol Historical Society?

Mr. VALEO. The Capitol Historical Society is not an official arm of the Congress. As far as I know, they have made very little effort to explore the historic documentation of the Senate. There are no problems involved since their interests are quite different. Much of the documentation of the Senate is in the form of executive hearings which are old and perhaps there is no reason anymore for them to be kept from the public.

I would expect the historians in the service of the Senate to work with the committees to determine which of these documents could be released to the public at this point without any problems.

I don't think that this is properly within the purview of the Capitol Historical Society. I should think they would draw on the work of these historians, and use it in some of their own publications.

Senator SCHWEIKER. There must be some tie-in with the Historical Society of the Capitol because they utilize space here. They put out a Capitol bulletin under somebody's auspices.

I realize they are a nonprofit corporation. But there must be some resolution or authorization.

Mr. VALEO. I think most of it came from the House side originally and probably, it came by word of mouth. If there would have been anything on our side, it would have been from Rules and Administration. I am not at all sure there is anything. I think there is probably nothing in writing. It is just something that has grown up as this group has come more and more into prominence.

Senator SCHWEIKER. As I understand your function, you are proposing to get source, historical source material and make it available.

Mr. VALEO. Yes.

Senator SCHWEIKER. So there is no reason why it should be in conflict with them and as you say, they might probably draw on your resources.

Mr. VALEO. That is correct. One of the items which I contemplate in connection with this office was a proposal brought to my attention by the minority leader. The proposal called for a photo history of the Senate.

There is no place where there is a collection of photographs which document the history of the Senate.

I would contemplate the Historical Office setting up such a file of collected historic Senate photographs and adding continuously photographs relevant to this body. That would be one aspect of this new Office.

Senator SCHWEIKER. That is all I have, Mr. Chairman.

Senator HOLLINGS. Senator Huddleston?

INCREASES FOR STATUTORY POSITIONS

Senator HUDDLESTON. On the increases for the 19 statutory positions. I understood you to say they hadn't had an increase in 5 years.

Mr. VALEO. Yes; that is correct.

Senator HUDDLESTON. But the chart that you submitted here indicates that they have had an increase in 1974.

Mr. VALEO. I was referring to other than the cost-of-living increases. What you see here is a reflection of those, more or less automatic cost-of-living increases.

Senator HUDDLESTON. So they get the increase now, they get that plus the automatic cost-of-living increase.

USE OF TRAVEL AUTHORITY

What type of activity do you expect that the employees would engage in in support of their professional activities—attending seminars, joining associations, and travelling?

Mr. VALEO. That would be the type of thing. But it would be on a highly selective basis.

Senator HUDDLESTON. Where else can they get any exposure or experience relating to an organization like the U.S. Senate?

Mr. VALEO. I was thinking of the kind of thing that the chairman brought to my attention. I would like staff members, for example, who have some function in connection with modern recordkeeping to bring back to the Senate some advanced concepts of these techniques and hopefully get them applied in the Senate as far as they might be useful. That is the type of thing I have in mind.

SAVINGS FROM CHANGE IN CAMPAIGN FINANCE RESPONSIBILITIES

Senator HUDDLESTON. On the campaign finance responsibilities, I am surprised to learn that there is only $50,000 savings anticipated. I think you indicated that that would only obtain if the auditing provisions were eliminated.

Do you have to have that big a staff just to receive and store records?

Mr. VALEO. There are 12 positions now. There are several people who are engaged, for example, in examining the statements as they come in so that they can be returned if they are in error at that point. There are often obvious errors.

Senator HUDDLESTON. Is that clearly your responsibility under the new law?

Mr. VALEO. We have not yet worked it out in the new Commission. I don't know how else it could be done so long as we are still going to be the custodians of these documents as the law clearly provides for.

The main savings here will be in the interpretation. I have one person who is not even on the Public Records payroll who has done most of the basic work in the interpretations of the laws and in the preparation of the regulations.

I have had two lawyers, part-time lawyers, consulting, working on interpreting the law.

Those functions should disappear entirely. We have no responsibility for them under the new law. But those savings would not be reflected in the Office of Public Records payroll. One of the employees worked on my administrative payroll. That makes a difference. So it probably would be a somewhat larger savings.

Senator HUDDLESTON. That is all.

STAGING OF STATUTORY POSITION INCREASES

Senator HOLLINGS. The editor of the Digest, this increase, will this come in stages?

Mr. VALEO. Yes.

Senator HOLLINGS. Last year you asked for an increase for the Enrolling Clerk, raising him from about $23,000 to $26,000. Then he retired. Now the fellow you hired to supplant him, I understand, started off at above the amount that the gentleman retired at.

Mr. VALEO. He retired for reasons of health, Senator. I hoped to keep him on. He was quite ill when he left.

PATRONAGE POSITIONS

Senator SCHWEIKER. You mentioned about the number of positions which are still allocated on the basis of patronage. What kind of positions are they?

Mr. VALEO. There are 12. Most are assistants in the Documents Room and Senate Library.

Senator HOLLINGS. What is it? Exactly 12? How many Republican and how many Democrat?

Mr. VALEO. Do you want a count?

Senator HOLLINGS. Yes. Who is getting it? Why not me? Do you want to get any?

Senator SCHWEIKER. I am in computer trouble.

Mr. VALEO. I can reject the individuals named by the parties but I do not choose them myself. I take what is recommended by the committee of either party unless there are overwhelmng reasons to the contrary.

Senator HOLLINGS. Who is the Patronage Committee in the Democratic party?

Mr. VALEO. I think it is the Leadership.

Senator HOLLINGS. I am aware of where it is. Who is it?

Mr. VALEO. It is Senator Mansfield. That is about it.

Senator SCHWEIKER. How about ours?

Mr. VALEO. Senator Hruska. I must say that patronage is somewhat of a dying phenomenon in the Senate. I think that should be very clear in the record, at least for the Secretary's office. They are gradually being cut out, largely as older members leave the Senate.

Senator HOLLINGS. This will be part of your history. I commend you for putting in the Historical Office, but on page 2 of your statement you say that the office would function under the nonpartisan supervision of the majority and the minority leaders.

Mr. VALEO. That is the way the Commission on Arts and Antiquities operates.

Senator HOLLINGS. Under the majority and minority leaders. They certainly don't sound like nonpartisan supervisors to me.

Mr. VALEO. The majority leader, minority leader, the Chairman and the ranking minority member of the Rules Committee and President pro tempore of the Senate.

Senator SCHWEIKER. Is that all who are on it?

Mr. VALEO. Let me check that and make sure it is correct for the record. I know it does include those.

Senator HOLLINGS. The chairman of our committee, Senator McClellan, wishes to insert at this point these questions for the Secretary. Will you please respond in due time?

Mr. VALEO. Yes.

[The questions and answers follow:]

SALARY COMPARABILITY STUDY AND SURVEY

Chairman McClellan. On April 7, 1970, the Secretary of the Senate stated that he was conducting a salary comparability study for all offices of the Secretary of the Senate in conjunction with a general administrative survey then underway. Has the study and survey been completed?

Are they available to the committee?

Answer. The salary comparability study which was made at the time was a limited one but sufficient to indicate that there were many incongruities in pay structure largely growing out of ancient and more liesurely Senate practices. Often, these practices involved giving great weight in determining salary level to the incumbent's personal and family needs, to length of service, and to party patronage. Salary levels and titles were often randomly set, in some cases by legislation and in others by authority of the Secretary of the Senate.

In an effort to straighten out the situation, the Appropriations Committee sponsored legislation to give the Secretary the power to downgrade all positions. However, his authority to make upward adjustments, a necessary corollary remained limited only to salaries in the Disbursing office.

The conditions referred to above have been subject to gradual changes for the past several years even as new responsibilities have been assigned to the Secretary. A second and more thorough study of personnel classification is now comtemplated. When this study is completed the results will become the basis for further salary and title adjustments and possibly recommendations for legislative action.

ORGANIZATIONAL UNITS AND CHART

Chairman McClellan. Is the office of the Secretary broken down into organizational units? Is an organizational chart available?

Answer. The office of the Secretary of the Senate is broken down into organizational units. A description of these organizational units can be found on page 104 of the Congressional Handbook of 1974. Page 419 of the Congressional Directory for 1975 contains additional information. An organization chart is available in the U.S. Government Manual on page 26 of the 1974–75 edition.

[The information follows:]

Information Sources, Services, and Publications

OFFICERS AND OFFICIALS OF THE SENATE

Secretary of the Senate, Room S–221, Capitol Building, telephone, 42115.

Major Duties include:

Presiding Officer of Senate in absence of Vice President and pending election of President Pro Tempore;

Custodian of Senate Seal;

Executive Secretary to Commission on Arts and Antiquities of the Senate;

Requisitions moneys appropriated for Senate expenses;

Administers oaths;

Certifies extracts from Senate Journal and official Senate documents;

Certifies passage of legislation; and

Certifies to President ratification of treaties and confirmation or rejection of Presidential nominations.

Offices Under the Secretary include:

Bill Clerk
Daily Digest
Disbursing Office
Document Room
Enrolling Clerk
Executive Clerk
Journal Clerk
Legislative Clerk
Official Reporters of Debate
Parliamentarian
Printing Clerk
Public Records Office and Registration Clerk
Senate Curator of Art and Antiquities
Senate Library
Stationery Room

Assistant Secretary of the Senate, Room S–221, Capitol Building, telephone, 42114.

Major Responsibilities include:

Administrative and executive duties at the direction of the Secretary;

Assumption of all Secretary's duties, except those of Senate disbursing officer, in event of death, resignation, or disability of the Secretary; and

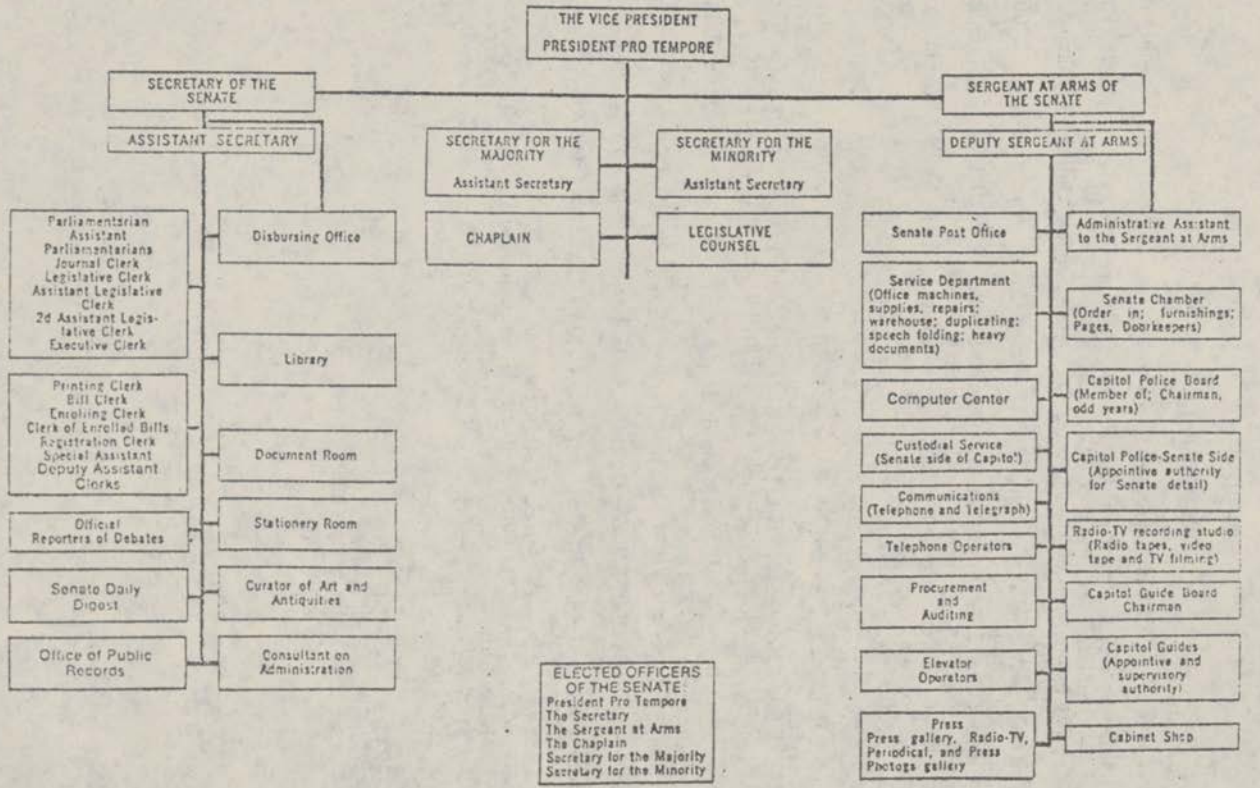
OFFICE OF THE SECRETARY

Room S-221, The Capitol. Phone, 224-2115

FRANCIS R. VALEO, Secretary of the Senate, The Capitol, Washington, D.C.

Administrative Assistant to the Secretary.—Dorothye G. Scott, 9824 Georgia Avenue, Silver Spring, Md. 20902.
Secretary to the Secretary.—Florence C. Blessley, 5539 Columbia Pike, Arlington, Va. 22204.
Secretary.—Muriel Anderson, 3334 Contessa Court, Annandale, Va. 22031.
Receptionist.—Linda L. Roberts, 3578 Powder Mill Road, Beltsville, Md. 20705.
Assistant Secretary of the Senate.—Darrell St Claire, 4970 Linnean Avenue 20008
Parliamentarian.—Murray Zweben, 2500 Q Street 20007.
Assistant Parliamentarian.—Robert B. Dove, 2108 North Powhatan Street, Arlington, Va. 22205.
Second Assistant Parliamentarian.—William Lackey, Jr., 1543 Eton Way, Crofton, Md. 21113.
Secretary.—Sally E. Goffinet, 616 A Street NE., No. 2 20002.
Journal Clerk.—Bernard V. Somers, 2140 Brooks Drive, Suitland, Md. 20028.
Assistant Journal Clerk.—James E. Thorndike, 1301 Delaware Avenue SW. 20024.
Legislative Clerk.—Harold G. Ast, 6127 Lee Highway, Arlington, Va. 22205.
Assistant Legislative Clerk.—William F. Farmer, Jr., 3813 Dade Drive, Annandale, Va. 22003.
Second Legislative Clerk.—Ronald J. Morgan, 118 Meadowland Lane East, Sterling, Va. 22170.
Financial Clerk.—William A. Ridgely, 6850 Lamont Drive, Kingswood, Lanham, Md. 20801.
Assistant Financial Clerk.—Robert A. Malstrom, 8806 Lowell Place, Bethesda, Md. 20034.
Accountant.—Robert J. Northern, Jr., 13408 Doncaster Lane, Silver Spring, Md. 20904.
Enrolling Clerk.—Frederick G. Sparrow, Jr., 2327 Kirby Drive SE. 20031.
Enrolling Technical Assistant.—Brian G. Hallen, 14102 Bramble Court, Laurel, Md. 20811.
Clerk of Enrolled Bills.—John M. Lacovara, 3407 Maple Bluff Lane, Bowie, Md. 20715.

UNITED STATES SENATE



TITLE REVISIONS AND SALARY ADJUSTMENTS

Chairman McClellan. On page 255 of the 1974 Legislative Branch Hearings, the Secretary presented the following statement: " . . . we always wind up with a confusing melange of nonconforming or misplaced or dead-end personnel. The practice is not conducive to good management. . . ." What has been done to overcome this problem?

Answer. In the quotation taken from page 255 of the 1974 legislative branch hearings, I stated "We always wind up with a confusing melange of nonconforming or misplaced or dead-end personnel. The practice is not conducive to good management." That is largely the result of the Secretary's lack of authority to adjust titles and pay rates as circumstances change, except as he has this authority for the Disbursing Office. In order to overcome this situation, I have made requests to the Committee over the last 5 years for general authority of this kind. My testimony this year includes the following statement:

> "Finally, I reiterate, in new form, my perennial request for a general provision of authority to the Secretary to revise titles and to adjust per annum salary rates within fiscal years aggregates . . .
>
> " . . . Without such flexibility the only alternatives are piecemeal adjustments, once a year, by Appropriations Act of Congress . . ."

DISCRIPTION OF CERTAIN STAFF DUTIES

Chairman McClellan. Currently, the Secretary employs on his staff an Assistant Secretary; Chief Elections Investigator; Administrative Assistant; Financial Clerk; Consultant on Administration; Parliamentarian; and Technical adviser.

Without some guide of the overall structure of the office of the Secretary, it is difficult for the committee to evaluate budget requests especially with reference to positions and salary increases.

It would seem from the titles alone there might be some duplication of efforts in certain areas. What are the duties of the Administrative Assistant, Consultant on Administration, Technical Adviser and Chief Elections Investigator?

Answer. The following is a brief description of the duties of those individuals to which you make reference:

ASSISTANT SECRETARY

In the event of the death, resignation, or disability of the Secretary of the Senate, the Assistant Secretary of the Senate, by law, acts as Secretary in carrying out the duties and responsibilities of that office in all matters, except those matters relating to the Secretary's duties as disbursing officer of the Senate, until such time as a new Secretary shall have been elected and qualified or such disability shall have been ended. Apart from this basic statutory responsibility, the Assistant Secretary has operating responsibility for the administration of a staff of approximately 120 employees. Present incumbent: Darrell St. Claire.

ADMINISTRATIVE ASSISTANT

The Administrative Assistant serves as confidential and executive secretary to the Secretary of the Senate and plays a role in arranging all official ceremonies as well as in the control of certifications of Senate elections and the reception of new Members. The Administrative Assistant also handles a great deal of correspondence, maintains the Secretary's personal files, arranges luncheons, meetings and conferences, and supervises a clerical and secretarial staff. In addition, the Administrative Assistant has responsibility for official and confidential office files and handles many other assignments from the Secretary on an ad hoc basis. Present incumbent: Ms. Dorothye Scott.

CONSULTANT ON ADMINISTRATION

This position was established initially in order to conduct a survey and analysis of the organizational units under the Secretary of the Senate. The report has provided the basis for subsequent efforts to modernize the Secretary's office so as better to serve the Senate and its members and committees. In 1970, a number of the recommendations from this survey were presented to the Joint Leadership and the Appropriations Committee. In 1972, with the sudden assignment by legislation of new responsibilities for the supervision of campaign funding in Senate elections, the Consultant on Administration became the principal official of the Secretary's office for matters relating to the complex Federal Election Campaign Act and the Office of Public Records. The Secretary's Consultant on Administration, Orlando Potter, has been selected as the

Staff Director of the new Federal Election Commission and the position in the Secretary's office is about to become vacant.

CHIEF ELECTIONS INVESTIGATOR

The incumbent, formerly with the General Accounting Office, has supervised a staff of investigators and accountants co-opted from that office who have conducted field audits and investigations of political campaign contributions under the Federal Election Campaign Act of 1971 and related statutes. The Chief Elections Investigator will also be going shortly to the new Federal Election Commission. Present incumbent: Peter Roman.

TECHNICAL ADVISER

This position was established after the Administrative Consultant became immersed in responsibilities connected with the Federal elections legislation. The incumbent acts to keep the Secretary apprised of developments in automation and related technologies with the objective of modernizing the processes and recordkeeping within the various offices subject to his supervision. The technical advisor maintains liaison with the Rules Committee, the House Information Systems, and the Library of Congress, Congressional Research Service on all technical matters relating to the use of automated processes. The incumbent, formerly with the Library of Congress, has been principally responsible for the installation of the advanced techniques for information storage and retrieval employed in the Secretary's Public Records Office. The Technical Advisor has served increasingly as a consultant on general administration, and in that capacity conducts reviews of the functions of each office and prepares recommendations for changes in existing procedures. Incumbent: Mrs. Marilyn Courtot.

PERSONNEL STRUCTURE

Chairman McCLELLAN. Has any thought been given to a drawing up of an organizational chart and salary schedule such as that used by the Office of the Clerk of the House and the Civil Service Commission?

The chart and schedule together with summaries of responsibility for each position would give the committee a better understanding of the office structure for evaluation of budget requests.

Answer. As previously mentioned, a limited salary comparability study was made several years ago. The general administrative study of 1972 also threw light on the personnel situation. What these studies and accumulated experience reveals is that there are aspects in the personnel structure of this historic office of the Secretary of the Senate (it dates from the 18th century) which are heavily imbedded in tradition as well as in the Constitution and Rules of the Senate; these factors do not lend themselves to rapid change. Finally, it should be noted that the Secretary is responsible to 100 members of the Senate through the majority leadership and, in part, through the minority leadership, as well as the Appropriations Committee and the Rules Committee in certain matters, so that changes, in the last analysis, usually require long lead times for preparation.

Nevertheless, during the past few years, we have succeeded in bringing about the automation of the payroll and other procedures of the Disbursing Office. In addition, the Senate library is now beginning to operate to provide automated information services to all Senators and committees. The Secretary's office has also worked with the leadership in establishing the Commission on Art and Antiquities, and provides personnel to further the work of historic preservation and restoration on the Senate side of the Capitol. The Secretary's office also established on a very short notice a Public Records Office which handled an explosive increase in responsibilities under the Federal Election Campaign Act of 1971 at low cost. At present, the services of the document room are being modernized and under consideration is the introduction of advanced management techniques into the stationery room.

All of these matters have had a higher priority, in my judgment, than the refinement of the personnel structure. Moreover, as pointed out, without legal authority to change titles and salaries, the action which can be taken in this respect is severely circumscribed. During the next year, however, as I noted, we hope to undertake a second and fuller salary survey. If my request for authority to deal with questions of salary and titles is approved I will make the adjustments which are indicated by the survey, with due allowance for the traditional factors mentioned above. When this task is completed, the results of the study will be submitted to the joint leadership and will be made available to your committee.

Chairman McCLELLAN. The Secretary has authority to:

Employ additional administrative assistants under section 74b of title 2, United States Code [Office of the Secretary].

How many assistants are employed under this section?

How long have they been employed?

What was the 1975 appropriation?

What is the unexpended balance?

What is the 1976 Budget request?

Answer. The Secretary of the Senate has authority to employ additional administrative assistants under 2 U.S.C. 74b. There are two assistants employed under this section and they have been on the roll since December 4, 1969, and February 3, 1975, respectively. The 1975 appropriation was $114,931.47 and the unexpended balance as of April 30, 1975, was $26,830.80. The 1976 budget request is $116,572.

Chairman McCLELLAN. The Secretary has authority to:

Obtain emergency reporters and transcribers under Public Law 89–90 (contingent expenses of the Senate).

What was the 1975 appropriation?

What is the unexpended balance?

What is the 1976 budget request?

Answer. The Secretary has authority to obtain emergency reporters and transcribers under Public Law 89–90 (contingent expenses of the Senate). The 1975 appropriation was $10,000 and the unexpended balance was $6,765.26 as of April 30, 1975. The 1976 budget request is $10,000.

SHORT HOURS

Chairman McCLELLAN. The Office of the Secretary has reduced its hours of operation by closing on Saturday when the Senate is not in session. In addition, the office operates with a skeleton staff on many occasions. How does this closing affect the production of work?

How current is the work on——

The Senate Journal?

Office of Federal Elections' Reports?

SENATE JOURNAL

Answer. The Office of the Secretary maintains a duty officer in the office for half-a-day on Saturday. The Secretary and the Assistant Secretary are on call 24 hours a day.

The demands on personnel in the Secretary's office, as with Senate personnel generally, are in line with and possibly even more taxing than is the case in most Government agencies. If the Senate is to receive the services of competent staff, in my judgment, it is necessary to establish as far as possible regular working conditions reasonably comparable with other offices in this city. In a government which, except for Congress, went on a 5-day week decades ago, it seems to me not unreasonable to provide similar working conditions for Senate employees who until a few months ago were without that provision. By the same token, since there is no authority to compensate employees for overtime in a Senate that frequently works late into the evening, I find it a desirable practice to permit as far as possible, compensatory time off for the employees who stay with the Senate whenever it is in session and, sometimes, long into the night. These and similar generally accepted personnel practices are now being standardized and appropriate recordkeeping is being installed in connection with the Secretary's offices.

A new leave policy has also gone into effect as of March and the general guidelines recognize the basic differences in the functions of my staff. The policy eliminates the proliferation of leave categories and eliminates certain practices, such as; for example, operating with a skeleton staff.

Certain individuals often do work on Saturdays and Sundays, in particular, the Assistant Senate Journal Clerk in an effort to eliminate a backlog. As of this date, the last copy of the Senate Journal which has been sent to GPO for printing is September 18, 1974, but the daily transcripts are up-to-date. Unfortunately, the 1973 Senate Journal is still at GPO awaiting final printing. A low priority has been assigned by the GPO to this document because the demand, apparently, is minimal.

FEDERAL ELECTION REPORTS

All reports filed under the Federal Election Campaign Act are processed upon receipt. If a reporting date falls on a weekend or holiday the Office of Public Records remains open.

LONGEVITY PAY INCREASES

Chairman McCLELLAN. What is the purpose of the longevity pay increases for employees?

Do the increases apply to all employees of the Office as Assistant Secretary, Financial Clerk, Parliamentarian, employees on the administrative rolls?

How does the increase apply when an employee is promoted to a higher grade position?

Does the longevity begin at date of the new appointment or continue from the original appointment?

Do the purposes for which the longevity pay increases continue to exist?

Would you recommend any changes?

Answer. The purpose of the longevity pay, which was authorized by Public Law 87–730, dated October 2, 1962 (under Sec. 106 of General Provisions), as I understand it, was to provide a means of rewarding employees, who are occupying positions where salary is limited by statute, for continuing service to the Senate. It corresponds, somewhat, to step increases in grade under Civil Service practices.

In committees of the Senate, and in offices of Senators, the Chairman or Senator may authorize increases in salary without any limit, except the restriction on the number of positions in the upper levels or the appropriation limits. This same action could not be taken by the Secretary of the Senate, Sergeant at Arms of the Senate, or Secretary for the Majority or the Minority, because the positions were limited by statute and blocked from any further increase.

The longevity compensation provision was made effective on September 1, 1962, and applied to employees in the offices listed below who had been continuously in those offices since September 1, 1957.

Employees in Office of the Secretary of the Senate (except the Assistant to the Majority and Assistant to the Minority).

Employees under the Office of the Sergeant at Arms and Doorkeeper, including telephone operators and police force.

Employees under the Capitol Guide Service (longevity from July 1, 1974).

Longevity now applies to all employees in the Office of the Secretary of the Senate, including the Assistant Secretary of the Senate, financial clerk, parliamentarian, and employees on the administrative rolls; but, under the law, does not apply to the Assistant to the Majority or the Assistant to the Minority in the Office of the Secretary. The positions of secretary, assistant secretary, financial clerk, parliamentarian, are excluded from the longevity provisions because their salary, by statute, is already set at a rate that precludes any additional salary for longevity.

Currently, the longevity provision automatically authorizes an additional $906 per annum for those employees who have reached 5 years of service thereafter, and with a limit of four longevity steps, or maximum of $3,624 per annum. If an employee is promoted to a higher grade, which is under the provisions of longevity, he continues to receive the additional $906 for each 5 years with the higher grade position, provided that that rate does not exceed the general maximum for Senate employees.

Longevity entitlement begins with original appointment. If an employee is terminated and remains off the payroll for any period beyond 31 days, his longevity entitlement begins again from the date of the new (or latest) appointment.

Since it is necessary to request authority to raise an employee's not-to-exceed rate, the longevity pay increases provide some measure of rewarding long-term service. It would be my intention to have this practice examined in connection with the contemplated study of salary structure and comparability. The practice, it seems to me, should be brought as closely as possible into line with the Civil Service procedure for in grade step increases.

Chairman McCLELLAN. Records indicate that:

The Office of Bill Clerk was vacant for 18 months and between the years of 1967 and 1972 the salary actually decreased from $13,571 to $13,209. Please explain.

The salary of the Assistant Journal Clerk was less than one-half that of the Journal Clerk (Journal Clerk, $35,910; Assistant Journal Clerk, $16,244). Please explain the difference.

The salary of the Assistant Digest Editor was greater in 1970 than in 1974 (1970, $20,188; 1974, $14,820). In addition, the salary in 1967 was greater than the salary in 1974 (1967, $15,757; 1974, $14,820). Please explain.

OFFICE OF THE BILL CLERK

Answer. The office of the Bill Clerk was vacant for 16 months and 18 days. This remains a patronage position and is filled at the discretion of the patron. The salary

was decreased during the years of 1967 and 1972 because the position was recalssified and the more significant aspects of the work were removed from the patronage position.

ASSISTANT JOURNAL CLERK

The Assistant Journal Clerk received less than one half the salary of the Journal Clerk and was paid on a par with the Bill Clerk and Assistant Executive Clerk. An evaluation of this job and its greater demands is reflected in this year's appropriation request to raise the NTE rate.

ASSISTANT DIGEST EDITOR

The salary for this position was greater in 1970 than in 1974 since the salary was set by a former Secretary of the Senate in line with older personnel practices which in this case involved an individual with a great deal of longevity. The title does not accurately reflect the current functions that are being performed by the Assistant Editor, which are more closely akin to those of a secretary. Therefore, upon departure of the previous incumbent the position was downgraded and an individual with the skills appropriate to the position was hired at a pay level which more accurately reflected the demands of the job and at a savings to the Senate.

Chairman McCLELLAN. Does the secretary consider comparable salaries paid by the House for similar positions when establishing salaries?

Answer. I have not considered comparable salaries paid by the House for similar positions. However, I plan to compare in detail the functions and salaries of individuals paid by the House who appear to have jobs similar to those under my direction.

PATRONAGE

Chairman McCLELLAN. How many positions in the office are held by patronage appointees?

Are the appointments equally divided between the parties?

Answer. There are currently 12 positions remaining in the Office of the Secretary of the Senate which are held by patronage employees under traditional practices confirmed with some modifications in the Congressional Reorganization Act of 1970. These positions for the most part are minor and are primarily located in the Senate Library and Senate Document room. The appointments are not equally divided between the parties but are in accord with arrangements reached by the patronage committees of the two parties.

OFFICE OF PUBLIC RECORDS

When the new Federal Elections Commission is established, will the Office of Public Records be abolished?

What functions will the office perform?

Will the requirement for personnel be reduced?

Is that reflected in the budget?

Will the requirement for travel expenses be eliminated?

Is that reflected in the budget?

Answer. The Office of Public Records cannot be abolished notwithstanding the establishment of the new Federal Election Commission. Not only are other functions unrelated to campaigns discharged by the Public Records Office but the new law requires the Secretary to continue to serve as custodian of campaign reports for Senate elections.

We have eight people who are engaged, for example, in examining, filming and indexing and in the provision of services to the public for these election reports. In addition, the Office of Public Records handles a mass of documents in consequence of:

A. The Federal Lobbying Act.

B. Statement of Contributions and Honorariums under the Rules.

C. Residual filings under the Federal Corrupt Practices Act.

D. Voluntary Financial Disclosures by Senators.

E. Political Activity Designees pursuant to Rule 43 of the Senate (Political Fund Activity of Officers and Employees).

F. Consolidated Report of Expenditure of Foreign Currencies and Appropriated Funds for Foreign Travel.

The burden of record keeping, therefore, is little changed by the new law. Campaign-funding functions other than record keeping however, will be transferred to the Federal Election Commission of which, as you know, the Secretary of the Senate is an ex-officio

member. During the next few months, the process of defining the actual scope and role of the Secretary's Office in relation to the Commission will take place. It seems clear already that the Secretary is relieved of the responsibility for interpreting the law and making referrals thereunder, as well as most, if not all of the auditing and investigative activities. These functions, however, have involved in the past only a small part of work of the regular personnel of the Office of Public Records, most of them being handled by personnel not on the regular payroll of that Office.

As I stated during the hearings, our requirements for the Public Records Office should be less, since there will no longer be a need for a Chief Elections Investigator and possibly one or two other office employees. Nor will it be necessary to obtain a staff of investigators on detail from the GAO. At this time, moreover, it would seem that the travel requirements will not be extensive. However, until I know exactly how responsibilities will be divided between the Secretary and the Commission, I request that the funds for this office remain intact. All monies not expended will be returned to the Treasury, as has been the practice every year, since the creation of the Office of Public Records. Next year, I will be in a better position to submit a revised budget.

AUTHORIZATION TO OBTAIN SERVICES OF EXPERTS AND CONSULTANTS

[CLERK'S NOTE: The following letter was received by the committee subsequent to the hearing and h. been inserted in the record at the direction of the chairman.]

[The letter follows:]

United States Senate
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20510

May 9, 1975

Dear Senator Hollings:

In carrying out various suggestions of your committee and to improve processes within the Secretary's office, it would be most helpful if, from time to time, the services of individual technicians and experts could be obtained to assist the regular staff and if individuals with special skills could be detailed from other agencies of the government for short periods. I believe that this is a sound approach when a special need arises since it seems to me undesirable to inflate the payroll by adding permanent staff.

The Secretary's office does not now have authority to obtain short-term personnel by reimbursement except in conjunction with the Federal Election Campaign Act (2 USC 442), although present Senate practices do permit Senate Committees or Subcommittees to do so. Therefore, I am requesting that an administrative provision to extend the practice to the Secretary's office be included in the 1976 Legislative Branch Appropriation bill. If made available to this office, the authority would be pursued under the same conditions that are applicable to a standing committee of the Senate. This would include the prior consent of the government department or agency concerned and the consent and approval of the Committee on Rules and Administration regarding the detail of personnel and temporary services of individual experts, etc. It is my estimate that any one individual on detail would be assigned for periods anywhere up to 120 days.

The tasks for which I foresee the need to co-opt specialists in the immediate future are a review of the operation of the Senate Document Room and a complete salary survey for the staff of the Secretary, including the development of written job descriptions. In addition, in line with our past discussions, it would be my intention to have prepared a study in depth of Senate and Congressional pay and emoluments as compared with those of the Executive Departments and the Judicial Branch. Initial steps have been taken in this connection, but the subject will require very detailed analyses.

I am making this request at the present time since I had planned to begin the aforementioned studies during the next month and to wait until the first supplemental appropriations would cause an undue delay.

I am enclosing herewith the language of the proposed administrative provision. It involves an extension of the authority which the Secretary already has under the Federal Election Campaign Act to permit monies appropriated thereunder to reimburse short-term specialists and detailed personnel. This does not involve any increase in my earlier appropriations request to your Committee.

Sincerely,

F. R. Valeo

Francis R. Valeo
Secretary of the Senate

ADMINISTRATIVE PROVISION

For the purpose of carrying out his duties, the Secretary of the Senate is authorized, (1) to procure the temporary or intermittent services of experts or consultants, or organizations thereof, in the same manner and under the same conditions, to the extent applicable, as a standing committee of the Senate may procure such services under section 202 (i) of the Legislative Reorganization Act of 1946, and (2) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency. Payments to carry out the provisions of this paragraph shall be made from funds included in the appropriation "Miscellaneous Items" under the heading "Contingent Expenses of the Senate" upon vouchers approved by the Secretary of the Senate.

(This administrative provision is designed to authorize the Secretary of the Senate to obtain the services of experts and consultants and to obtain, on a reimbursable basis, services of personnel of Government departments and agencies.)

SUBCOMMITTEE RECESS

Senator HOLLINGS. Is there anything further?

Thank you very much, Mr. Secretary. We will recess until Wednesday at 10 a.m. in room S-146, when we will hear Senator Humphrey on behalf of the Joint Economic Committee.

[Whereupon, at 4:30 p.m., Monday, April 21, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, April 23.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1976

WEDNESDAY, APRIL 23, 1975

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room S–146, the Capitol, Hon. Ernest F. Hollings (chairman) presiding.

Present: Senator Hollings.

JOINT ITEMS

JOINT ECONOMIC COMMITTEE

STATEMENT OF SENATOR HUBERT H. HUMPHREY, CHAIRMAN

ACCOMPANIED BY:

SENATOR JACOB K. JAVITS
JOHN R. STARK, EXECUTIVE DIRECTOR

BUDGET REQUEST

Senator HOLLINGS. This morning we will open up with the Joint Economic Committee. As is the usual custom, the Financial Clerk of the Senate provided the amount of $981,500 in the President's budget for the ongoing activities of the committee. However, the subcommittee received a letter dated February 25, 1975, from Senator Hubert H. Humphrey, the new Chairman of the Joint Economic Committee, transmitting a total 1976 budget request of $1,280,686 or $299,186 more than the amount in the President's budget.

The additional requirements are described in another letter attached to Senator Humphrey's letter, under date of February 21, 1975, to the Hon. Bob Casey, the Chairman of the counterpart subcommittee in the other body. I gather, the additional amount is based on a projected minimum requirement of $1,029,381 to maintain current operations of the committee, plus $251,305 for new responsibilities imposed by the Budget Act and additional workload due to the recession. The letters will be printed in the record at this point.

[The letters follow:]

Congress of the United States
JOINT ECONOMIC COMMITTEE
(CREATED PURSUANT TO SEC. 5(a) OF PUBLIC LAW 304, 79TH CONGRESS)
WASHINGTON, D.C. 20510

February 25, 1975

Honorable Ernest F. Hollings
Chairman, Legislative Appropriations
Subcommittee
Senate Appropriations Committee
Suite 1235 Dirksen Senate Bldg.
Washington, D. C. 20510

Dear Fritz:

Attached is the appropriation request which we today submitted to the House Appropriation Committee for the Joint Economic Committee for the Fiscal Year 1976.

I found on assuming the Chairmanship of the Joint Economic Committee that we are faced with a tremendous challenge, largely because of the new responsibility of the Budget Act and a large increase in our workload because of the severe recession that the economy is undergoing.

We find it necessary to ask for an increase, not only to continue at our present level of operation, but also to make some effort to meet expanding workload. Unfortunately, two special appropriations, one under S. Con. Res. 93 and another for the welfare study, both expired December 31, 1974.

With best wishes, I remain

Sincerely,

Hubert H. Humphrey
Chairman

Congress of the United States
JOINT ECONOMIC COMMITTEE
(CREATED PURSUANT TO SEC. 5(a) OF PUBLIC LAW 304, 79TH CONGRESS)
WASHINGTON, D.C. 20510

February 21, 1975

Honorable Bob Casey
Chairman, Legislative Subcommittee
Committee on Appropriations
House of Representatives
Washington, D. C. 20510

Dear Mr. Chairman:

Submitted herewith is the appropriation request of the Joint Economic Committee for the Fiscal Year 1976. Our request for continuing the current level of operations is in the amount of $1,029,381, inclusive of the pay increase. This amount compares with the spending level in the current year of $1,185,000. The total estimated outlay for the current year, however, is made up of a regular appropriation and two special appropriations. One of these special appropriations was for an extensive welfare study carried out by the Subcommittee on Fiscal Policy; the other was for a six-month study of the problems of the economy with particular reference to inflation. The latter study was financed by special appropriation authorized under S.Con.Res. 93, directing the study.

Both of these special appropriations lapsed on December 31, 1974, leaving us with a spending level of $950,000. The Senate Disbursing Office submitted the usual preliminary Fiscal Year 1976 request on the basis of this level without reference to the special appropriations.

Mr. Chairman, I want to say that the Joint Economic Committee under the leadership of my distinguished colleague, the Dean of the House, Wright Patman, has done an outstanding job and I will be glad to discuss those achievements in more detail later. The great achievements of the Committee in the past two years is a tribute to him and to the other able Members of the Committee.

In the past year alone, the Committee has published 33 separate hearings, studies and reports. At the moment there are 33 more in process of being completed. This impressive list is attached to this request. I might add that in addition to this high level of production, the staff is called upon to provide special analyses, background material and other assistance to the various task forces dealing with taxation, economic policy, energy, and a variety of other issues, to the legislative committees and to Members. In 1974, the Joint Economic Committee distributed over 300,000 copies of current and previous years' publications to individuals, libraries, and organizations the world over. It is estimated that over 11,000 were distributed to Members of Congress and their staffs.

Our present situation is even more demanding than the past. The economy, as we know, is in the worst recession since the beginning of World War II, and the Committee has been holding extensive hearings on the President's economic program and energy proposals as required under the Employment Act. Committee staff and Members have been intensively involved in policy discussions in both Houses on these and related matters,

both in respect to the aforementioned task forces and policy groups, as well as in respect to numerous current legislative proposals dealing with economic and energy issues, among others.

As you know, in addition to evaluating all of the President's economic recommendations and reporting to the Congress, we are required to serve as a guide to the legislative committees in respect to economic matters, as well as to make continuing studies of major issues in public economic policy, and to study means of coordinating programs in order to achieve maximum employment, production, and purchasing power.

Moreover, the Joint Economic Committee has been given substantial new responsibility for reporting under the Congressional Budget Act of 1974. Briefly, that Act requires that the Joint Economic Committee in December of each year provide the two Budget Committees with a review and evaluation of the Administration's budgetary forecast and long-term projections. In addition, the Joint Economic Committee must provide another report to the Budget Committees by March 15 of each year, giving its recommendations as to the appropriate fiscal policy to be followed in making policy decisions on revenues and spending. A detailed description of these requirements, as they appear in the Congressional Budget Act, is attached. I am also attaching a list of the thirty subject areas in the field of economic policy with which the Joint Economic Committee must be concerned.

Beyond these responsibilities, we find ourselves facing a tremendous challenge in evaluating our deteriorating economy and in forming proposals for restoring the economy to a path toward growth and stability. I am submitting an accompanying statement setting forth in more detail the Committee's activities and achievements in 1974.

Clearly, an even heavier workload is in store for us in the coming years. Our situation at present is such that we urgently require additional funds to fulfill our obligations. Although our two special funds lapsed, there is continuing workload deriving from those activities. In the case of the comprehensive study under S.Con.Res. 93, there are a number of issues that we are still pursuing, including food pricing movements, full employment potential, effects of economic changes on state and local financing, and international aspects of inflation. The Subcommittee on Fiscal Policy still faces a considerable volume of analytical work in the field of social security financing which, as this Committee knows, has massive consequences both in respect to revenues and expenditures. My colleague, Congressman Richard Bolling, has assumed the Chairmanship of that Subcommittee and has already begun to continue its vigorous pace and vital work. I might add that last year the Subcommittee on Fiscal Policy published eight study papers and a Final Report, which was a landmark report of its conclusions and recommendations. This has been widely claimed as the best work ever done on the subject. These continuing activities, plus all of the aforementioned responsibilities cannot possibly be managed on the basis of the amount included in the preliminary budget request which the Senate Disbursing Office has submitted for us. As indicated, the amount of $1,029,381, is the very minimum required to maintain our operations.

But, to perform our responsibilities adequately and to carry out our responsibilities under the Employment Act, we need the additional amount of $251,305 over and above that level. This would permit us to add two professionals and one secretary for the Minority. The case for this additional help has been made before this Committee several times, and we are glad to support it as meritorious. In addition, we are asking for funds for one urgently needed agricultural economist; one specialist in urban economics; and three secretarial staff and a research assistant. We

also find it necessary to ask for additional funds for hearings, consultants, and miscellaneous expenses (telephone, travel, supplies, etc.) to meet the increasing demands of the Committee.

Let me point out that the very heavy workload on the secretarial and administrative staff requires substantially more help in that sector. This also applies to an additional slot for a research assistant to help us with our heavy statistical workload. Being a study committee, the Joint Economic Committee is called upon to do a tremendous number of memoranda, reports and background papers, as well as to handle a growing volume of inquiries from Members of Congress, their staffs, the press and the public. Under the circumstances, the added personnel are as minimal as possible.

In the case of the Urban Economist, he has already been working fulltime on our staff and doing a valuable job, but we simply have not had the funds to pay him. Up until now he has been paid from the office funds of Congressman William Moorhead, Chairman of the Subcommittee on Urban Affairs. I feel that there is urgent need to correct this situation. At the present time the Urban Affairs Subcommittee is conducting a review of public and private policy to reduce the cost of housing, as well as an extensive survey of city, county and state finances as affected by inflation and recession. We hope that this will produce constructive policy recommendations to mitigate existing serious difficulties. In addition, we have a large agenda of related issues having to do with urban resources, conservation, urban growth policy and housing.

So far as an Agricultural Economist is concerned, I think the situation speaks for itself. Our agriculture, which has always been the pride of the world is deeply afflicted with economic problems. These economic problems are not only domestic, but they relate to our role in the world economy. In view of the prospective scarcity of food and the probability of continuing price fluctuation, the United States must develop a new national food policy. Moreover, we need a food information system to improve and make more equitable the allocation of food resources in the world. These and a number of related issues can be more adequately dealt with if we have the benefit of an additional professional.

As you know, Mr. Chairman, it is our policy to obtain the best staff talent that we can get and over the years we have been fortunate in attracting high quality people.

The Committee now has eight Subcommittees, listed below:

Economic Progress
Priorities and Economy in Government
Inter-American Economic Relationships
International Economics
Fiscal Policy
Urban Affairs
Consumer Economics
Economic Growth

All of these will be active during the coming year. It has been our policy not to assign staff to each Subcommittee, but rather to serve the eight Subcommittees with a central staff. Of course, we do have some specialization within the professional staff. Two are primarily concerned with international affairs. Two are primarily concerned with the Federal budget and spending. Several are concerned more or less regularly with the economic outlook and with fiscal and monetary policy, as

well as related matters such as employment and wage price movements. Two staff are working in the field of growth and investment. Two others are concerned with energy, natural resources, and the environment. We also have people working on such important issues as consumer affairs, program evaluation and agriculture. Because there are many other issues, none of the staff can be exclusively concerned with the aforementioned subject areas, however. Given the nature of our work in economic analysis, this has proven to be the most efficient mode of operating. We will, of course, be glad to furnish additional information on the work that the Committee has done and is now doing, should you so desire. A list of our Subcommittees and their functions is attached.

As a Member of the Joint Economic Committee over the past several years, I have been well aware that our budget requests are based on a very careful appraisal of our financial requirements and that the figures represent the lowest amount that we think feasible in view of our expected workload. It has always been the practice of the Joint Economic Committee to make maximum use of existing facilities such as the Library of Congress and the General Accounting Office and we will, of course, continue this practice. We have also been fortunate in obtaining services of outstanding experts at virtually no cost and we will continue to do this. It has always been the Committee's policy to avoid spending where optimum value could not be obtained and in line with this policy, we have returned money on several occasions where it could not be spent prudently. I assure you that this practice will be continued.

Sincerely,

Hubert H. Humphrey
Chairman

Attachments.

JOINT ECONOMIC COMMITTEE

Expenditures: Actual FY 1974 and Estimated FY 1975 and FY 1976

	Fiscal 1974 Actual		Fiscal 1975 Estimate		Fiscal 1976 Estimate	
	Number	Total Salary	Number	Total Salary	Number	Total Salary
Executive Director	1	$35,908	1	$35,931	1	$35,938
General Counsel	1	32,832	1	34,711	1	34,881
Senior Economists	3	98,671	3	103,861	3	104,643
Economists	3	76,121	6	130,485	6	164,892
Research Economists	1	17,190	2	42,196	2	45,451
Professional Staff Member	2	47,452	1	33,746	1	33,975
Research Assistants	2	20,203	5	62,466	4	58,286
Minority Staff Members	3	83,904	3	91,817	3	97,546
Minority Secretary	1	12,128	1	13,399	1	13,590
Staff Assistant	1	16,341	1	19,127	1	19,630
Editorial Assistant	1	28,457	1	30,073	1	30,502
Administrative Clerk	1	14,402	1	16,766	1	18,271
Financial Clerk and Research Assistant	1	14,118	1	17,064	1	18,573
Publications Clerk	1	8,098	1	10,834	1	13,439
Secretaries	7	88,852	7	89,484	7	100,868
Messenger	-	---	1	4,303	1	8,607
Intern	1	7,831	1	9,350	-	---
TOTAL FULL-TIME PAYROLL	30 ~~29~~	$602,508	37	$745,613	35	$799,092
Agency Contributions		39,866		62,165		80,289
Reimbursable loans, W.A.E., contracts, and temporary employees		46,324		70,691		75,000
TOTAL SALARIES		$688,698		$878,469		$954,381
Expenses for Hearings		30,999		38,042		40,000
Miscellaneous Expenses		20,596		33,489		35,000
TOTAL		$740,293		$950,000		$1,029,381

JOINT ECONOMIC COMMITTEE

Fiscal Year 1976 Budget

	No.	Total Salary for Period of Budget (gross)
Executive Director	1	$35,938
General Counsel	1	34,881
Senior Economist	1	34,881
Senior Economist	1	34,881
Senior Economist	1	34,881
Economist	1	33,975
Economist	1	33,975
Economist	1	26,274
Economist	1	23,556
Economist	1	23,556
Economist	1	23,556
Professional Staff Member	1	33,975
Research Economist	1	24,462
Research Economist	1	20,989
Research Assistant	1	16,006
Research Assistant	1	15,100
Research Assistant	1	14,345
Research Assistant	1	12,835
Minority Counsel	1	34,881
Minority Counsel	1	33,975
Minority Economist	1	28,690
Minority Secretary	1	13,590
Staff Assistant	1	19,630
Editorial Assistant	1	30,502
Administrative Clerk	1	18,271
Financial Clerk and Research Assistant	1	18,573
Publications Clerk	1	13,439
Secretary	1	17,818
Secretary	1	17,516
Secretary	1	14,798
Secretary	1	13,137
Secretary	1	12,533
Secretary	1	12,533
Secretary	1	12,533
Messenger	1	8,607
	35	$799,092

ADDITIONAL BUDGET REQUEST FOR FY 1976

1. Minority Economist	$33,069		
2. Minority Economist	25,066		
3. Minority Secretary	12,080		
4. Majority Economist	31,106		
5. Majority Economist	25,066		
6. Research Assistant	12,533		
7. Secretary	12,080		
8. Secretary	12,080		
9. Secretary	10,117		
Agency Contributions	18,108		
TOTAL SALARIES			$191,305
Consultants, Contracts, W.A.E., and temporary personnel			35,000
Hearings (reporters' fees, witnesses' fees)			18,000
Miscellaneous Expenses			7,000
GRAND TOTAL			$251,305
Total Salaries			$799,092

Administrative

Contribution to employees health benefit program.	$17,228	
Contribution to Civil Service Retirement fund. .	59,932	
Contribution to Federal Employees Group Life insurance program.	3,129	
TOTAL		80,289
Reimbursable payments to agencies, W.A.E., and contract employees.	60,000	
Temporary personnel.	15,000	
Hearings (reporters' fees, witness' fees). . . .	40,000	
Travel	14,000	
Stationery, office supplies.	9,000	
Communications (telephone & telegraph)	7,000	
Newspapers, magazines, books, documents.	2,500	
Charts	500	
Petty Cash	2,000	
TOTAL		150,000
GRAND TOTAL		$1,029,381

Senator HOLLINGS. We are glad to see you this morning, Senator Humphrey.

STATEMENT OF SENATOR HUBERT H. HUMPHREY

Senator HUMPHREY. I have just now arrived from Bethesda where I was required to go for a little 6-month checkup and by the time I got through out there, I wasn't sure whether I wanted to come here or not.

Senator HOLLINGS. I will insert your statement in the record, and you can present it or highlight it as you wish.

[The statement follows:]

STATEMENT OF SENATOR HUBERT H. HUMPHREY

Thank you Mr. Chairman. I am pleased to be here today and to have with me the Ranking Minority Member of the Committee, Congressman Clarence Brown. The two of us are trying to make the Committee as effective an instrument of Public Policy as we can.

I appear in a new role as Chairman of the Joint Economic Committee. During the past three months, I have learned a great deal in this position, and have been deeply impressed with the tremendous range of productive work that the committee does. I have asked the staff to bring along a few reports that were done during the past year. The most recent one is the Annual Report of the Committee to the Congress which was submitted on March 25. It contains the Majority and Minority views and in my opinion provides a most useful background document for the consideration of major economic policy issues. Also included in the documents is the recent JEC testimony before the Senate Budget Committee submitted last month. This was done in response to the new requirements of the Budget Act of 1974 which I shall later return to again for a few minutes. Mr. Brown also submitted Minority Views to the Budget Committee and I have taken the liberty of submitting a copy of those as well.

As indicated in our written submission, the Joint Economic Committee has been very much involved in the deliberations in both Houses of Congress on matters of economic policy. This applies to last year and this year.

With the serious recession that now afflicts the country, the Committee is more than ever challenged and the workload has risen substantially. I believe that this will continue, as both Houses deal with legislation affecting the economy, such as tax and energy bills and emergency unemployment action. The road out of this recession is going to be a long, hard one and we are ready to do our job in the effort to get this Nation back on the track.

NEW RESPONSIBILITIES UNDER CONGRESSIONAL BUDGET ACT

The Joint Economic Committee has been given substantial new responsibilities under the Congressional Budget Act, which was passed in August of last year. It requires that we report to the House and Senate Budget Committees by March 15 of each year, with recommendations as to the appropriate fiscal policy to be followed in making policy decisions on revenues and spending. It is also required that in December of each year, the Joint Economic Committee provide the two Budget Committees with a review and evaluation of the Administration's budgetary forecast and long-term projections.

It was that responsibility that led to my appearance before the Senate Budget Committee to present the first JEC report, as I mentioned a moment ago.

SPECIAL STUDY ON ECONOMIC PROBLEMS OF THE UNITED STATES

Mr. Chairman, I would like to spend a moment or two on recent changes on the Committees funding. As incoming Chairman, I have taken a careful look at our budgetary situation and, what I find is that I assumed the Chairmanship just about the time that two special sources of funding have expired.

Let me explain. Last August as inflation and recession became worse, the Congress passed a joint resolution directing the Joint Economic Committee to do a special study of the economic problems of the United States. For this purpose we were given $100,000 out of the Senate's Contingency Funds, and required to report before December 31, 1974.

I believe that it is fair to say that the Committee did an outstanding job. A report was submitted to President Ford not long after he took office, setting forth a recommended emergency economic program. This report was extremely useful at the President's Summit Meetings on the Economy and provided a focus for considerable discussion at those meetings.

Our final report was submitted to the Congress in December. Copies of these have been supplied to you. We still face a considerable workload in finishing the studies related to that project, even though we no longer have any spending authority. The original idea was to give us $200,000 and a year to do it, but for legal reasons our authority had to end by December 31 and there has been no opportunity to renew this special authorization.

REPORT ON WELFARE

As you know, the Committee also had funds especially earmarked for the Welfare Study conducted by our Subcommittee on Fiscal Policy. Last fall, that Subcommittee submitted a most useful report on welfare under the leadership of our former colleague, Martha Griffiths. Here again, there is some very important work that is still going on, both in respect to welfare, and old age and survivors insurance, under the able leadership of Congressman Bolling. I think these further developments will be very useful to the Congress. Also, Congressman Bolling, who has assumed the Chairmanship of that Subcommittee, and I are very much impressed with the need for analyzing the relation of private pensions to the social insurance program.

AMOUNT OF BUDGET SUBMISSION

Unfortunately the special funds available for the welfare study have also expired so that we are being dropped back to a fund level of $235,000 below last year. Indeed our current level of operation, which I assure you does not include any luxuries, is in excess of the amount submitted by the Senate Disbursing Office to the Bureau of the Budget. The Disbursing Office submits a budget on the basis of the prior year's appropriations. We are over the level because we have had to face an urgent requirement to respond to the new Budget legislation and to handle the expanded volume of work brought about by the severe recession that we are in.

ADDITIONAL STAFF REQUIREMENTS

Beyond that I must stress that we badly need some additional help above our current base. As mentioned in my submission, one of our staff economists is being paid by a Member of Committee. Obviously, this is an unfair burden. Also, we need at the very least, one other economist and a research assistant to help us with our expanded load. Also, there is a tremendous and growing load on secretarial staff, so we need additional assistance in that department. As you will note, we have also included an allowance for minority staff and will ask my associate Congressman Brown to discuss that requirement.

NEW STUDY ACTIVITIES

Let me make two additional points before closing. One is the great need for study activities. These should cover such obviously basic subjects as employment, particularly methods of improving it; better management for economic growth; urban and regional economic policies in relation to national economic policy; the problems of the economy deriving from energy issues; and a national food policy that takes account of changed conditions. These are a few of the projects on which we should be working. We have asked for some additional funds for consulting services because it has been found to be an efficient way of getting specialized help.

VALUE AND USE OF COMMITTEE REPORTS

The other point that I would like to mention is the great value that Committee reports provide for other Members of Congress, as well as members of our own and other governments. For example, when the first House Delegation went to China, then Representative Gerald Ford and the Late Majority Leader Hale Boggs distributed several cases of the Joint Economic Committee China Study to officials of that country.

When I went to Russia in 1972 with Senator Bellmon and Congressman Reuss, we discussed the forthcoming Joint Economic Committee study of the Soviet Economy with Soviet officials whom we met in Russia. Ambassador Davies wrote the Committee a few months ago to say that a recent joint economic committee study of the economies

of eastern Europe had attracted wide interest in the Embassy and he asked us for additional copies to present to the Polish Government.

MONETARY VALUE OF PUBLICATIONS DISTRIBUTED

These are isolated examples of the kind of thing that goes on all the time in many different sectors of economic policy. We calculated that the value of Joint Economic Committee publications distributed last year came to an aggregate of $425,360. That is quite a business and it would be a lot more if it were done on a commercial basis. As I remember, commercial book distributors sell their wares at more than double the cost. If our publications were priced on that basis we would be approaching the million dollar level.

Mr. Chairman, I know that you are pressed for time, and I will not take more of it, but I do want to say that I will be happy to respond as best I can or you may ask the Staff Director to fill in if you so require.

Senator HUMPHREY. I would like to make one or two observations, Mr. Chairman. First of all, my thanks to you and your staff and the subcommittee for taking the time to listen this year. I am sure that Senator Javits will also cover a number of the points. I testified in the other body and had Congressman Brown with me on that occasion; we have got a good working relationship now.

Senator HOLLINGS. We'll be glad to have Congressman Brown's statement as part of the record and we will make that part of Senator Javit's presentation.

Senator HUMPHREY. I believe I can say that the committee has been more active and has spent more time during recent years according to its own membership, on these matters. We started out early, even before the President's report, to take a good look at the economy.

Following the President's television telecast, you may recall in mid-January, we called in witnesses from all over the country; businessmen, academicians, laborers, and representatives from agriculture. We have covered the entire spectrum of the American economy. We listened to what they had to say and made our presentations according to the requirements of law.

Since you do have my full statement in the record, and it will be printed and it will be included as if I had delivered it, I should make note of the fact that we did submit the annual report of the Committee to the Congress by the date required by law, which was March 25. That report not only was a rather extensive one, which you can see by your own observations, but we also submitted a summary report along with that which is somewhat more usable and more readable than ordinarily would be the case.

For example, here is the full report and then here is the summary. As you know, the budget of the President was presented as a full budget with highlights thereof. We did exactly the same thing with this.

I should say also that we have not only made the reports available to Members of Congress, but we have made them available to Governors, State legislators, and other people who are in policymaking positions around the country in the Federal System.

Also, as has been alluded to by Senator Javits, we have presented our reports on the requirements of law to the Senate Budget Committee. I testified before the Senate Budget Committee. We are required under the Budget Act to make our analysis of the budget and to present the budget with our analysis to the Senate Budget Committee.

I did that, along with the presentation of the Minority views. In that instance Congressman Brown, the Ranking Minority Member presented the Minority views.

JEC NOTES

We publish every week a little bulletin, a newsletter. This newsletter is strictly a review of the testimony given to the Joint Economic Committee during the preceding week and it is a review of the economic materials that are available during the preceding week. This is strictly a review of the testimony and does not attempt to give any committee opinions. We make this available to every Member of Congress, every State legislature of the United States, every Governor, and every Mayor in the United States of any city of any size. We have had a remarkable response from it.

For example, we had one here, a Subcommittee on Consumer Economics, which released a report on inflation. We had one here just last week on agriculture. This is something I asked to have done because we have five or six items in a Joint Economic Committee hearing. We listen and that is it, and it goes into the record. This way there is a summation of the testimony and no matter what anyone says, it is printed without editorializing and it is made available in that form. So that report within itself is beginning to have a good acceptance and I think has been of some little help.

NEW RESPONSIBILITIES UNDER CONGRESSIONAL BUDGET ACT

The Joint Economic Committee has been given substantial new responsiblities under the Congressional Budget Act, which was passed in August of last year. It requires that we report to the House and Senate Budget Committees by March 15 of each year, with recommendations as to the appropriate fiscal policy to be followed in making policy decisions on revenues and spending. It is also required that in December of each year, the Joint Economic Committee provide the two Budget Committees with a review and evaluation of the Administration's budgetary forecast and long-term projections.

It was that responsibility that led to my appearance before the Senate Budget Committee to present the first JEC report, as I mentioned a moment ago.

When I came in as Chairman, I came in at a time when two studies were being completed, so that our funds have been sorely depleted.

INFLATION STUDY

Last August, as inflation and recession became worse, Congress passed a joint resolution directing the Joint Economic Committee to do a special study of the economic problems of the United States. For this purpose, we were given $100,000 out of the Senate's Contingency Funds, and required to report before December 31, 1974. That was when Congressman Patman was the Chairman and Senator Proxmire was the Vice-Chairman.

A report was submitted to the Congress and a report was submitted to the President. Also, there was an earlier report submitted in time for the so-called Economic Summit. I think if you read that report

that was prepared for the Economic Summit, you will see that the Joint Economic Committee was more on target as far as what was going on than almost any witness who appeared before that committee. The predictions as to the rate of unemployment, the predictions as to the rate of inflation, and the predictions as to the rate of revenues were almost on target. It was uncanny how close the committee's reports came to what has developed within the last couple of months.

The original idea of the resolution was to give us $200,000 and a year to do it in, but for legal reasons our authoirity had to end by December 31, and there has been no opportunity to review this special authorization.

WELFARE STUDY

Last fall, as I said, the subcommittee submitted a most useful report on welfare under the leadership of our former colleague, Martha Griffiths.

Now, I understand it is in the hands of the House Ways and Means Committee and it is considered to be a basic document. The members of the House Ways and Means Committee have asked that Congressman Bolling continue to follow through on the study that Martha Griffiths had undertaken. It was a special study and undoubtedly will be used as a basis for legislation in coming months.

As I noted in my prepared testimony, unfortunately, the special funds available for the welfare study have also expired so that we are being dropped back to a fund level $235,000 below last year.

ADDITIONAL STAFF REQUEST

As to the request for additional Minority staff, there is no need of going into that except to tell you that the Minority added them. You can say, why? It is because the House has demanded it. The House has a new rule that requires a certain amount of staffing for the Minority; plus the fact I think it is good to have a certain amount of staffing for the Minority. We have included a modest amount for that.

We also feel that we need to have an additional economist aboard because one of our own staff members has been carrying the expense of this economist, and I really feel it is uncalled for for him to have to pay for this economist. Our budget has taken into consideration some of those matters.

JEC PUBLICATIONS

I should add one other thing that we note in our testimony and that is, the value of the publications made by the Joint Economic Committee last year, the Government Printing Office sold these for cash in the amount of $425,000. So that the amount of money that we have asked for has been partly reimbursed by that $425,000 sale of the Committee publications.

We did a special study on the Soviet economy which is highly commended by the Ambassador for the Eastern Bloc Countries; Poland, the Soviet Union, and others.

There also was a committee report when the first House Delegation went to China. The then Representative Gerald Ford and the late Majority Leader Hale Boggs distributed a number of copies of the Joint Economic Committee China Study to officials of that country.

We have no committee like the Joint Economic Committee which works with other facilities and is making these economic studies of other parts of the world. We think these are providing an essential need for the Legislative Committees.

You know that our work is not legislative; that our work is entirely analytical, consultive and even advisory.

NEW STUDY ACTIVITIES

We have some things we want to do this year. For example, we have got the Employment Act of 1946. That act lays down certain objectives which quite obviously have not been met; maximum employment, maximum income and production. We would like to take a good look at what is going on in the economy and find out why these objectives have not been met. We would also like to look at the fact that every time there is a recession there is a larger degree of residual unemployment; each recession adds to that block of increased unemployment. We have to ask ourselves why this is.

For example, I would imagine in a year the recession may be over. But when it is over, there will be a 5½ or 6-percent unemployment rate. Why is it there is always a 5½ or 6-percent unemployment rate after a recession when 10 years ago you had full employment and a 3-percent unemployment rate? We would like to take a good look at this and that takes time. You can't get the information you need in an afternoon's hearing and we cannot do it with staff alone.

I should tell you that I am not one to add too much staff. I feel a lot of work should be contracted out so that when you are done with it, you don't have people hanging on.

STATEMENT OF SENATOR JACOB K. JAVITS

Senator HOLLINGS. We are delighted this morning to have also with us the ranking Minority Member, Senator Jacob K. Javits.

Welcome, Senator Javits.

Senator JAVITS. Thank you, Mr. Chairman; the Minority supports the position of the Majority with respect to this appropriation for the work of the committee and realizes that this must be justified on the basis of the actual computation of the level of operations which it has to carry on.

We wish to point out that in this case—that is, the case of the Joint Economic Committee—the very serious economic situation leads to the need for a greater rather than a lesser expenditure because the Joint Economic Committee is the "think" committee of the Congress. It is supposed to get to the bottom of where we are at and why, and what needs to be done about it. Hence, it has been required to expand very materially its operations, including its number of hearings, in order to meet the situation which it faces now.

Attached to the letter of Senator Humphrey, which the Chair has, is a record of expenditures showing a payroll of $799,000 and various other expenditures such as agency reimbursements, loans and the like,

which bring the aggregate salaries to $954,000, to which are added the expenses for hearings and miscellaneous, making the total $1,029,000. But our budget request also includes an additional amount of $251,305, as explained in the letter submitted to you by the Chairman.

MINORITY REQUIREMENTS

Now, as far as the Minority is concerned, it, too, is under a great burden because of the way in which the committee operates, evidence from the annual report and from the President's Economic Report, which has already been issued; it is the attrition between the Majority and the Minority which produces a result as far as the Congress and public are concerned. In other words, we have a somewhat different philosophy and will present a different point of view.

Generally, we have been able, on the whole, to see eye-to-eye. The Chairman will find that reflected in this year's report. Because the Minority bears so heavy a responsibility, the Minority needs to have its staff augmented. The amount which is attributable to the necessity for supplementing the Minority's staff is $73,000 in round figures, of the $250,000 which is the additional budget request for 1976.

There has been a rather conscious effort always here to note the relationship between the Minority staff and the Majority staff. That relationship has been really extremely lop-sided up to now. Though it will be somewhat improved by what we wish to do now to supplement the Minority staff, it will by no means change from a strongly one-sided Majority position.

Right now, we have three staff professionals as economists and but one secretary to divide among them. That is a little example of how bad our situation is on the Minority side and we have been really held down. The three Minority professionals compare with 17 on the Majority side, excluding the Staff Director, John Stark. If the committee should grant all of the application of Senator Humphrey in the name of the committee, the ratio would be 5 to 19. It is really an extraordinarily limited relationship.

I think the Chairman would have the right to ask me how this came about. I was the ranking member last year, as the Senator knows; we alternate being that. I had a staff economist of my own on my own personal staff and we were about to strangle last year. Now, the work is even beyond that. I still use my staff economist as I always have but the work has gotten simply beyond that, with regard to the numbers of days of hearings and the comprehensiveness of the matters heard.

For example, we have tackled the problems that go with the whole existing economic recession; employment connotations, the welfare connotations, and so on. The committee has done some additional work but it takes manpower to do it. In this type of committee, it takes more than it would if everything were rosy and there were no recession.

So, one, I would like to endorse strongly the wishes of the Majority, as expressed by Senator Humphrey, and two, point out that part of the additional budget request is on the part of the Minority, which

is heavily disadvantaged in this matter. As you know, the ranking member this year is Representative Brown of Ohio. He testified before the Subcommittee on Legislative Appropriations in the House and he has given me certain of his written testimony which he would like to have included in this record.

Senator HOLLINGS. It will be so included.

[The statement follows:]

TESTIMONY OF REPRESENTATIVE CLARENCE J. BROWN, RANKING MINORITY MEMBER OF THE JOINT ECONOMIC COMMITTEE, BEFORE THE SENATE SUBCOMMITTEE ON LEGISLATIVE APPROPRIATIONS, APRIL 24, 1975

I am appearing today to support strongly the request of the Chairman of the Joint Economic Committee, Senator Hubert Humphrey, for the Joint Economic Committee Budget for Fiscal Year 1976. Specifically, I am here to draw the Committee's attention to the "additional budget request," which is contained in a separate table attached to the Chairman's presentation, and which is explained on page three of the letter from the Chairman to your Committee.

One of the problems facing the Minority of every Congressional Committee is that of keeping up with the hearing schedule and the drafting of reports which has been established by the Majority. This is a practical reason for considering increases in minority staffing and budgets. But there exists a more valid, philosophical reason: that the Minority staff be comparable to the level of Minority membership which has been voted into the Congress by the American electorate.

This latter reason was one of the major causes behind the reforms in the 1971 Legislative Reorganization Act, which dictates that permanent minority staff be on a one-thirds, two-thirds ratio with Majority staff. Although the provisions of the 1971 Act do not apply to statutory Committees such as the Joint Economic Committee, its rationale should be persuasive in considering increases for Minority staffing in my Committee's budget.

The presentation of the Chairman, Senator Humphrey indicates that unless the additional budget request is accepted, the ratio of Minority to Majority professionals will be three to seventeen, excluding the Executive Director. In other words, the Minority would have fifteen percent of the professional staffing in the Committee. Moreover, Minority salaries would account for 13.9 percent of the payroll, which would represent the second consecutive year that the proportion of Minority salaries to total Committee salaries will have gone down.

If the Committee should accept the additional budget requests being made by the Joint Economic Committee Chairman, the ratio of Minority to Majority would be 5 to 19, and the amount of staff salaries slated for the Minority staff would be 18.7 percent. Although these proportions are far less than the guidelines established in the Legislative Reorganization Act, they are more compatible with the needs of the Joint Economic Committee Minority at the present time.

I would like to emphasize some of the points made by the Chairman in support of the budget requests as a whole. As you know, the economy is in probably the most severe condition of the post-war period. At the same time, the polarization between Congress and the Executive Branch in the development of economic policy has begun to give way, we believe, to a period of constructive cooperation which is a very welcome sign for economic policymaking in the future. However, the Congress is less well equipped than the Executive Branch to develop sophisticated analyses and proposals on the economic situation. The staff of the Senate and House Budget Committees, and of the Congressional Office of the Budget, do not come up to the number of staff employed by the Office of Management and Budget. The Joint Economic Committee itself is only just approaching the staff level of the Council of Economic Advisers.

Any degree of constructive cooperation between the Congress of the Executive Branch simply requires a very high degree of expertise on our part, so that the process of policy coordination can be carried out. Thus, I believe that the level of staffing contemplated in the Fiscal Year 1976 Budget is the absolute minimum which this Congress requires.

I want to close with a word of congratulations to the new Chairman of the Joint Economic Committee, Senator Humphrey, and to comment on the very constructive relationship between the Majority and the Minority which has developed under his leadership. I think such a relationship is essential for developing the best possible

non-partisan advice for the Congress on economic affairs, and I look forward to working with him in the future. However, the best intentions can go completely astray if they are not backed up with action, and in this case, "action" means an adequate level of staffing so that the proper analyses and recommendations for our economic situation can be developed.

MINORITY INCREASE, FISCAL YEAR 1975

Senator HOLLINGS. Senator, the committee some 3 years ago had a request from Senator Proxmire, which in general was granted, which was to bring the minority up to date. It must have been 2 years ago because it was last year that you appeared to reconcile the differences caused by the addition. You said you didn't get anything from that addition. You said if we would only grant your request it would put the Minority in good state; plus, of course, Senator Bentsen had an economic subcommittee. He said he wanted to study the economics his way.

Senator JAVITS. Right.

Senator HOLLINGS. Didn't the increase allowed last year reconcile the Minority?

Senator JAVITS. The Minority took one step forward but it requires more than that. That is why the Minority is asking for an addition. As I say, I held it down at that time because we realized the situation; we only requested funds for three people instead of four because I used my own man. I will be the ranking member next year and we don't know what the mode will be. Representative Brown, of course, is the ranking member this year, and the request is for a staff adequate for the Minority but it will still remain greater out of proportion to the 1-to-2 ratio we generally seek.

Basically, the JEC comes as close to being a Joint Planning Committee for the Congress as anything we have. And for this purpose I happen to think we need more staff than we are requesting. The fact is, that is the purpose the Joint Economic Committee serves. In addition, because of its fine reputation over the years, it commands the testimony of really the most important thinkers in this country. Indeed, I think from the point of view of the Congress, it produces the best brains in America.

CONGRESSIONAL BUDGET

Senator HOLLINGS. What about the new congressional budget process as it has now been adopted? In part of your testimony you alluded to the fact that additional duties would now be taken on. What duties were you referring to?

Senator JAVITS. That is a very sensible question, I believe, in view of the fact that I wrote it into the law myself, that I am an expert on the subject.

The Joint Economic Committee has two specific statutory advisory functions. One, before they do the first budget resolution, it is required to report to the Budget Committee as to the general economic situation in the country and its prospects.

After the first resolution, in advance of the second, which has to be completed by March 15, I think, the Joint Economic Committee is again statutorially required to advise the Budget Committee on the general economic situation.

Senator HOLLINGS. Was this done this year?

Senator JAVITS. Yes; it was done. In effect, this year it is a dry run, in the sense that there are operative restraints and we must find out how much it will take for the next fiscal year; but we were permitted to make a dry run. I mean, they were to have actually proposed budget ceilings in the specific categories and an overall budget ceiling, which they have done.

Senator HOLLINGS. I'm on that committee but I have to plead my own case by saying I don't remember the Joint Economic Committee's advice. Was it filed this year with the Budget Committee?

Senator JAVITS. Yes. Whatever we had to do, we have done.

AGRICULTURAL ECONOMICS

Senator HOLLINGS. Senator Humphrey, I am very happy with you as a Chairman and I have the greatest respect for you.

Is there anything you will have if you add your own agricultural economist that you don't already have on your own?

You are on the Agricultural Committee that is studying food. At your behest, there is $256,000 being used by the Office of Technology Assessment for a study that is going on right now on food information. We have their projection that $650,000 is needed for next year on food supplies. I am wondering, are we getting duplication?

Senator HUMPHREY. I am going to be frank. I think the Committee on Agriculture is not fully and properly staffed. As you know, our friend, Mr. Elton, didn't believe in very much staff. We have never had in the Joint Economic Committee, hearings on what really is happening in the agricultural sector of the economy.

In the Committee on Agriculture, we talk price of commodities primarily. We don't go into depth and find out what the farmer's indebtedness is, his rate of interest, what the liquidation process is, what happens to the size of farms and what is the impact, for example, of agricultural prices to the total economy.

I was shocked when I came to the JEC to find out how little attention has been given to agriculture. Maybe that is because I come from the Midwest. One of the first witnesses that we had was Dr. Alan Greenspan. After he told us how bad the inflation was and how bad the unemployment was, he then looked at me and said, "But I have some good news."

"My goodness," I said to myself, "What is it?"

He said, "Farm prices are falling."

Well, that is the kind of thinking that goes on around here.

Now, agriculture is a major industry in this country. It is a major industry and nothing compares to it. There is no industry that even comes close to it. Yet, here we are in the Congress more poorly equipped in agricultural economics than in anything else.

We spend weeks on the automobile industry; everyone gets excited about the automobile. The automobile industry is a peanut stand compared to agriculture. We have nothing on this.

I had a hearing last week and another one this week. I want Earl Butz, not to talk about the price of wheat; I want to know how many people have mortgages and how much indebtedness they have. I want to know that relationship to the community when the price of wheat or the price per ton drops 3 cents; what does it do to the purchasing power of the community? They never do know that.

There is a total lack of comprehensive study of the economy when you leave a section like this out. That happens to be a little pet peeve of mine. I looked over that staff and you haven't got a person who knows the difference between a ukulele and a corn cob pipe when it comes to agriculture. We have got to have someone who knows that.

What we are doing in the OTA is, we are trying to get a good informational system going which, by the way, is essential not only for ourselves, but internationally. Quite honestly, we ought to look at the cost of that study. Between us, I think you can overspend, but we do need somebody in our committee who can work on that matter.

Senator JAVITS. I would like to back up Hubert. We are penny-wise and pound-foolish when it comes to doing "think" work; these fellows are the brains and that is what you are buying. When you see the trouble, the money spent in business to get management and then we, here, are so tentative and so apologetic; it doesn't make any sense. No wonder we can't cope. I thoroughly agree with Hubert.

CONTINUATION OF PRIOR STUDIES

Senator HOLLINGS. What about the $135,000 for the subcommittee on fiscal policy, and the special $100,000 for the inflation study? It looks like you are carrying those forward. Are you sure you are not sandwiching those in and enlarging the budget?

Mr. STARK. No, sir. We do have some carry-over work and there is a great deal of continuing demand on the staff in both of these subjects; welfare, in particular, and also with respect to inflation and problems of the economy. We find that we are frequently involved in staff activities, discussing with the staff of other committees far more than ever before.

Senator HUMPHREY. A couple of our people are working with the Ad Hoc Committee of the Majority. Jerry Jasinowski was very active. Now, some of our people are working with other members on energy problems. We are sort of a resource committee. Everybody around that doesn't know where to go for information, calls us up; I couldn't believe it.

I don't have a vested interest in this. I became Chairman simply because of the rotation of a number of other people who took other chairmanships. All at once, I found out that this committee was called upon, particularly this year with all of the economy problems, for every conceivable kind of work.

RELATION TO OTHER COMMITTEES

Senator HOLLINGS. We have others looking at the same things as the Joint Economic Committee. Senator Javits said the Joint Economic Committee is the "think" committee. You can take Senator Muskie and his Budget Committee, for example. Every one of those witnesses that you brought before the JEC, we had to bring before the Budget Committee. We not only have to think about 17 categories, whether it is the agriculture or defense budget, or whatever, and try to analyze it all, but we also are the "do" committee. We think and do and put it in black and white and say, "This is the level of the budget."

Senator HUMPHREY. We recommend, as well, and we even recommend to your Budget Committee.

Senator HOLLINGS. True, but I am wondering if there is duplication. I cannot see the Budget Committee foregoing all those responsibilities. Every expert recommends a level and tries to back it up on the floor.

Senator HUMPHREY. I agree, but our committee has to look beyond what your Budget Committee does. Your Committee obviously looks at forecasts but the main problem is, each year with the budget hearings and budget segments, there has to come some understanding of what you are going to spend in these priority agencies and measure it throughout the year because you have to evaluate.

I think we have a little broader sweep of the thing. We want to look 4 or 5 years ahead. We are deeply concerned about what we ought to be doing in terms of investment capital. How do you accumulate a sufficient amount of investment capital for the different segments of American industry who are going to require capital in the next 5 years? How are you going to keep Government from taking it away?

We have letters out and witnesses coming in. Today, I am meeting presently with the Assistant Treasury Secretary, who will talk about how you finance this deficit and how you schedule Government financing on the one hand and still leave something on the private market. We are looking at it, not only with the view of Mr. Simon or Mr. Walter Heller, but we are looking at it from a broader perspective.

We are asking people to come in and asking for their thoughts. We will have a series of hearings. We don't know if we can have a good analysis on paper of how we can manage the deficit, the size we are going to have, plus the private financing necessary to get the economy moving again. If we can come up with that, we will have been worth every dollar we are asking for.

IMPACT OF LARGE DEFICITS

Senator HOLLINGS That is too broad to be helpful. We have had a $67.8 billion deficit recommended and will have a $47 billion deficit for 1975. I hope we can back it down from $67.8 billion—let's say it can be reduced by $20 billion in the next ensuing year. That is a broad perspective when you speak of 18 months. What is the effect of the Government borrowing at least $154 billion and some have used the figure of $188 billion, what is the impact of that?

Senator HUMPHREY. Let's say, for example, you can agree upon a minimum of $154 billion. The question then comes: can you handle it, and if you do, how? If you handle it, what does it do to the interest rates, and the available credit supply? I could't tell you. I am just another prejudiced guy. We do not intend to call the favorite conservatives but a broad spectrum of people in the money market to tell us something about it, including people from the Treasury, and put together a publication and make it available to the Congress and do it in a timely fashion, in a way that people can understand.

We are going to make this so when we are done, it is usable. I don't believe in piling up lots of studies just to file them away.

STUDIES AND LEGISLATION

Senator HOLLINGS. That is another thing about the welfare study. I don't know what kind of legislation that started because someone came in with a guaranteed annual income embellished in the name of Family Assistance. Who is going to vote against something when something humanitarian is in the title? You would have to be a SOB if you voted against it.

What was the effects of that study? As you say, you take some money and you have a study. I don't see any legislation coming from that study.

Senator HUMPHREY. As I say, the House people on loan to me wanted it.

Senator HOLLINGS. They say, one way to be immortal on earth is to have a Government study; they will keep them going. I know that. I wonder what is going to come of it.

Senator HUMPHREY. I will give you my word, I am not going to have dilatory studies; I am not interested in them. There is nothing I hate worse than junk that nobody is going to use.

You asked how we are going to handle the public financing. That is one of the things I am going to get a little something on because I don't know the answer. I know the Congress of the United States better have some information on it; all they have is a spectrum of the operations. If we can do that one thing for you, it will be worth everything.

Secondly, why is it we end up, after a recession, with a higher degree of unemployment? We have got to know what is causing this and find out if there is anything we can do about it. We have to find some answers to those two things. If we get those answers, it will be worth every dollar that is being put into this. If we can get a reasonably good budget, I can produce for you and come back the next year, because I have to come back anyway. If I haven't been able to do as I say, you can just say, "Humphrey, get out the door."

Senator HOLLINGS. You can certainly tell from the strength of your testimony what your doctor must have told you this morning.

Senator HUMPHREY. You certainly need a rest after they have checked you out.

Senator HOLLINGS. Thank you very much.

JOINT COMMITTEE ON PRINTING

I will insert in the record at this point a letter I received from Senator Howard W. Cannon, dated March 13, 1975. The letter is in regard to the 1976 requirements of the Joint Committee on Printing.

[The letter follows:]

Congress of the United States
Joint Committee on Printing

March 10, 1975

Hon. Bob Casey, Chairman
Subcommittee on Legislative
Branch Appropriations
U.S. House of Representatives
Washington, D.C.

Dear Mr. Chairman:

Enclosed please find proposed 1976 fiscal year budget for the Joint Committee on Printing. This represents an increase in the amount of $15,000 to replace an Assistant Compiler who retired on January 31, 1975. A more concentrated oversight of the Government Printing Office resulted in approval late last year of additional funds to hire three staff persons. These additions, plus the fact that we are finding it difficult to find a replacement at the salary level at which the Assistant Compiler retired has necessitated this request for additional funds.

In the 1975 estimate you will note a substantial balance. This resulted from the fact that funds appropriated in the cited supplemental, which became law late last year, were requested on a yearly computation. However, since there was a pay adjustment in October of 1974, these funds will be used to absorb that increase and the Joint Committee will not have to be included in the supplemental for that purpose.

I respectfully request your favorable consideration of this request. If you have any questions, please let me know.

With kindest personal regards, I am

Very sincerely yours,

Howard W. Cannon

HOWARD W. CANNON
Chairman

	1974 Actual Number	1974 Actual Total Salary	1975 Estimate Number	1975 Estimate Total Salary	1976 Estimate Number	1976 Estimate Total Salary
Appropriation or estimate		$319,700.00		$415,100.00		$445,692.00
Staff Director	1	34,927.23	1	35,930.97	1	35,938.00
Ass't. Staff Director	1	34,713.48	1	35,752.84	2	70,819.00
[1] Minority Staff Director			1	34,853.25		
[2] Elec. Analyst/Prof. Staff Member	1	26,775.99				
[3] Admin. Ass't.	1	27,970.35				
Editorial Ass't./Pubs. Director	1	25,998.75	1	28,405.87	1	28,992.00
Clerk Stenographer	2	32,692.74	2	28,780.75	2	34,126.00
[4] Executive Secretary			1	18,358.23	1	19,177.00
Inspector of Paper & Materials	1	24,162.48	1	25,606.47	1	25,972.00
[2] Tech. Analyst/Prof. Staff Member	1	26,775.99				
Legal Consultant	1	32,022.98	1	33,746.25	1	33,975.00
[5] Ass't. Compiler	1	19,023.00	1	13,559.36	1	25,066.00
Special Assistant			1	15,219.54	1	26,727.00
Special Library Assistant			1	11,750.31	1	20,838.00
Research Clerk			1	8,667.39	1	18,573.00
[2] Professional Staff Members			2	57,168.00	2	57,984.00
	11	286,062.99	15	347,799.23	15	398,187.00
Agency contributions		24,686.99		33,000.00		39,805.00
Nonsalary items:						
Travel		6,132.51		6,500.00		6,500.00
Office supplies		614.56		700.00		1,000.00
Telephone		47.55		100.00		100.00
Miscellaneous		46.00		100.00		100.00
		$317,590.60		$388,199.23		$445,692.00

1 Title changed to Minority Staff Dir. Jan. 1974, to Ass't. Staff Dir. Feb. 1975
2 Titles changed to Prof. Staff Members in Oct. 1973
3 Appointed Staff Dir. Jan. 1974; Ass't. Staff Dir. Feb. 1975
4 Title changed from Clerk-Steno. Jan. 1975
5 To Jan. 31, 1975

NONDEPARTMENTAL WITNESSES

NATIONAL FEDERATION OF THE BLIND

STATEMENT OF JAMES GASHEL, CHIEF, WASHINGTON OFFICE

CORRESPONDENCE

Senator HOLLINGS. Next we have Mr. James Gashel, Chief of the Washington Office of the National Federation of the Blind. Mr. Gashel, we have your letter dated April 10, 1975. It will be included in the record at this time. We are glad to hear from you.

[The letter follows:]

NATIONAL FEDERATION OF THE BLIND
Washington, D.C., April 10, 1975.

Sen. ERNEST F. HOLLINGS,
Subcommittee on Legislative Appropriations,
Senate Appropriations Committee,
Washington, D.C. 20510

DEAR SENATOR HOLLINGS: This letter is being sent to request an opportunity to appear before your subcommittee when public hearings are held on appropriations for the Library of Congress, Division for the Blind and Physically Handicapped. Appropriations for this division are of vital interest to the members of the National Federation of the Blind who represent the bulk of the patrons of this division. Please advise me of the date of these hearings so that I might prepare and present testimony on behalf of the National Federation of the Blind.

Cordially yours,

JAMES GASHEL, *Chief*
Washington Office.

Mr. GASHEL. Good morning, and thank you for having us talk with you about the library services for the blind.

Mr. Chairman, my name is James Gashel. My address is Suite 212, Dupont Circle Building, 1346 Connecticut Avenue, Northwest, Washington, D.C. 20036. I am Chief of the Washington Office of the National Federation of the Blind.

Mr. Chairman, as you know, we are a membership organization open to all blind persons in the United States. Currently, our membership numbers 50,000. In our capacity as the blind speaking for themselves, we carry on a number of wide-ranging activities. To provide vital information to the blind, we publish a monthly magazine, the Braille Monitor, which is produced in inkprint, in Braille, and on talking-book discs.

Senator HOLLINGS. I hope I don't disturb you by interrupting you to ask questions.

Mr. GASHEL. Not at all.

CIRCULATION OF BRAILLE MONITOR

Senator HOLLINGS. You have a monthly magazine. What is the volume of that?

Mr. GASHEL. I believe that is up around 25,000 distribution a month.

Senator HOLLINGS. How many blind belong to the National Federation of the Blind?

Mr. GASHEL. Approximately 50,000.

Senator HOLLINGS. Perhaps I am being picky, but do the other 25,000 share this book?

Mr. GASHEL. It is shared a good deal. Anyone can get it who wants it. It is shared around and people pass it around and send it to one another.

NUMBER OF BLIND PERSONS

Senator HOLLINGS. How many blind are there in the United States?

Mr. GASHEL. There are approximately 470,000.

Senator HOLLINGS. You have a good organization; why don't more join?

Mr. GASHEL. We are trying to get them to do that.

Senator HOLLINGS. Is it an economic consideration; do you have to pay for membership?

Mr. GASHEL. Dues in the National Federation are set at the local level and they are usually very small; approximately $2 or $3 a year. I think the reasoning that we are getting at here is that most of the blind population is elderly, people who are very often unreached by services by the blind.

OUTREACH PROGRAM

Senator HOLLINGS. I suppose it is like the food stamp program; it is difficult to get the benefits to senior citizens.

Mr. GASHEL. We are trying to do everything we can to reach the blind population. We are a private outfit, organized about 30 years ago. We have grown substantially and we are growing more and more.

Senator HOLLINGS. If you had some coordinated program for outreach, as we call it, formulated, one that was effective, we would be glad to try and support you so you could get the other 400,000 that are not being reached at all. I think, if you could somehow provide us with that information, we might have an outreach program to contact the others.

Mr. GASHEL. That is a subject which we find certainly welcome. We would like to do that and we would be happy to have our staff work with yours. As a matter of fact, we are currently doing that sort of thing.

This month we have organized a new affiliate in the State of Wisconsin and we have taken on, initially, approximately 140,000 members to begin with. At the end of next month, that is next week, we will be organizing a South Dakota affiliate. So the National Federation by May will have an affiliate in every State in the Union and the District of Columbia.

Senator HOLLINGS. Does your program work under the Department of Health, Education, and Welfare?

Mr. GASHEL. Yes, sir, we do. Recently, we were appointed as a consulting organization for the Commissioner of the Rehabilitation Services Administration by Director Andrew S. Adams.

LIBRARY OF CONGRESS SERVICES TO BLIND

We distribute the Monitor free to the blind and to regional libraries. We are here today, Mr. Chairman, to talk with the Committee about library services for the blind, and especially those provided by the Library of Congress, Division for the Blind and Physically Handicapped.

You have under consideration appropriations for this program for fiscal year 1976 in the amount of $15,941,000. We endorse this request, and we urge that the total amount be appropriated. On the face of it, I suppose, this request appears to be a very substantial increase. But, Mr. Chairman, if these funds are granted, the Library will be able to carry on its service to some 480,000 blind and physically handicapped persons roughly at the level they now enjoy.

When you compare the level of service available through the books for the blind and physically handicapped program with that which is provided by even the average public library, the Division's request is certainly justified.

The Library that is designed to meet the reading needs of the blind and when you compare it with the libraries of the same size for sighted persons, most of those libraries are able to add 10 times more books a year than the Library for the Blind and the Physically Handicapped can with the current funding. So we certainly do endorse the total amount of the Library's request.

It is important to bear this relationship in mind. I am not going to take your time today to go over the entire budget proposal since you have already had it presented to you. I would like to comment on a few specific items in the Library's request. In doing so, I want to ask you to think in terms of priorities in this request and to consider making some adjustments from the Library's request.

MULTI-STATE CENTERS

Within the past couple of years, the Division for the Blind and Physically Handicapped hit upon the idea of developing four regional centers to serve as back-ups for the regular regional libraries, which are already part of the system. These centers, called multi-state centers, were to assist the regional libraries in providing better service to their patrons.

Two multi-state centers, one in Utah and one in Florida, have been established. The Library has requested $100,000 to each. Consistent with our philosophy of providing the maximum number and variety of books to meet the reading needs of borrowers, we oppose the establishment and further development of multi-state centers, and we ask that these funds funds be reallocated.

We have arrived at this position after careful thought. It is based solely on practical considerations. We do not believe the concept of multi-state centers has worked. Readers in the States now served by the multi-state centers are receiving no better or faster service than they were before the advent of this program. Our contacts in the field indicate that several librarians have been disappointed to find that the multi-state centers have not enabled them to offer higher quality service to the borrowers.

As we see it, the flaw in the concept of multi-state centers cannot be removed by additional money. That is, doubling the amount of the appropriation for this particular category of library activities would not, in our opinion, be a cost-effective thing today. It wouldn't be a good use of resources.

We are convinced that further development of the multi-state centers will result in high costs and low benefits. In most parts of the country, blind and physically handicapped library users have a clear recourse if they wish to improve their program. The regional library which serves them is established and funded by the State legislature.

Their elected representatives have an interest in its operation. Their regional librarian is potentially able to respond directly to the requests for service from the readers. Not so under the multi-state center concept.

The blind of South Carolina served by the regional library in that State have now lost this direct access to the potential decision-making process controlling their library service. Nowadays they are, in part at least, dependent on the quality, responsiveness, and goodwill of the Library for the Blind and Physically Handicapped located in Daytona Beach, Fla.

This library, the library in Florida, is a fine one but it functions as the multi-state center serving South Carolina, Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, Texas, Virginia, the Virgin Islands, and Puerto Rico.

The problem is really self-evident. The blind people of South Carolina, the library in South Carolina, the Legislature of South Carolina, and the Governor of South Carolina, all have little, if any, drag on the Florida library, which was originally established, staffed, and operated to serve the blind and physically handicapped persons in Florida.

Senator HOLLINGS. Whose idea was that?

Mr. GASHEL. The Library of Congress.

Senator HOLLINGS. It sounds like it needs some looking into.

Mr. GASHEL. Even so, the library in South Carolina, must now compete with 13 other regional libraries, all making demands on the multi-state center associated with the library for the blind in Florida. This can only compound the problem, and no amount of additional funds can solve it. Mr. Chairman, we would like to take this opportunity to urge this committee to review the entire concept of multi-state centers and to consider appropriate revisions which might be made.

RESEARCH AND DEVELOPMENT

Moving to another area for a moment, we wish to draw your attention to the Library's request for $267,000 to continue the development work on an automated cataloging and bibliographic control system. We applaud this effort, and we are anxious to see this new system fully operational. It is not possible at this time for us to comment on its effectiveness, but we feel that the potential is great. This endeavor to bring library services for the blind into the Twentieth Century through a computerized network has the possibility of substantially reducing the delays which are now an expected part of getting the books one wants in the form desired and in the time required.

For research and development projects, the Division has requested $197,000. According to its proposal, a portion of these funds will be used to study various methods of applying modern technology to the production and distribution of Braille books and materials. We support this effort. Other funds will support various reader surveys to determine what steps the Division might take to more adequately meet the needs of those who now use the service and of those who are potential borrowers. We endorse these projects, Mr. Chairman.

One of the R. & D. projects distresses us deeply and we ask that you give it special examination. During fiscal year 1976, the Library intends to field test a projection device usable only by the physically handicapped who are not, themselves, blind. We vigorously oppose continued funding of this project.

We think it is appropriate to provide services both to the blind and the physically handicapped but not simply to the physically handicapped through this machine. We realize that it was planned and initiated several years ago under a different Administration at the Division and we can appreciate some commitment to a program once it has been under way. But this argument should not be used to justify continued appropriations.

We seriously believe that reallocation of the funds which are appropriated for field tests, projection devices for books for the physically handicapped, should be for the use of all library users, both the blind and the physically handicapped.

Mr. Chairman, all of us have been around long enough to know that once the wheels of a new program begin to roll, they tend to generate their own momentum. Especially this is true during annual appropriations time. Under the guise of research many unworthy endeavors have been extended indefinitely. This, of course, is to the long-range disadvantage of a total program.

The history books tell us that Samuel Morse successfully resisted the temptation to throw good money after bad by literally destroying a very complicated and very expensive machine developed for the purpose of burying transmission cables. As a result of this single act, the telegraph pole came into being, and wires were quickly strung nationwide. In his refusal to pursue an earlier plan, Morse exhibited flexibility and wisdom, and he probably advanced the whole communications industry by decades. In the future, we might want to refer to the principle which Morse applied in this case as the Morse Doctrine. Not a bad doctrine at all when examining appropriations requests in order to determine priorities for limited resources.

CONTINUANCE OF SERVICES TO BLIND

This is a good time for me to express our continuing concern that the books for the blind and physically handicapped program, originally established by the Congress to assist the blind, must continue to serve the blind at a high level. In our judgment, any de-emphasis of the Division's original purpose would severely impair already limited library services to the blind. At its 1972 Annual Convention, the National Federation of the Blind unanimously adopted a resolution which speaks to this point. I am submitting a copy of the resolution, and I ask that it be printed in the record.

Senator HOLLINGS. It will be included.

[The resolution follows:]

NATIONAL FEDERATION OF THE BLIND RESOLUTION 72-03

WHEREAS, the number of titles available to blind readers is grossly inadequate; and

WHEREAS, only a small percentage of new print titles produced each year are available to the blind; and

WHEREAS, the projected plan of the Library of Congress, Division of the Blind and Physically Handicapped, will be to divert funds from producing titles usable by blind people to producing titles in a form appropriate only to those who can see; and

WHEREAS, the recorded media are appropriate equally for the blind and the seeing; and

WHEREAS, this projection would diminish and denigrate library service for the blind, thus exacerbating a problem which is already severe; and

WHEREAS, the National Federation of the Blind supported the inclusion of the physically handicaped in the library services for the blind only in reliance upon the repeated and vehement denials by the Library of Congress that such inclusion would be in no way detrimental to services for the blind; and

WHEREAS, though the Federation endorses and supports the sharing of library materials produced for blind readers with all those who cannot read conventional print, we must oppose any policy which will divert funds away from library services for the blind; now, therefore, be it

RESOLVED by the National Federation of the Blind in Convention assembled in the City of Chicago, Illinois, this 6th day of July, 1972, that this organization calls upon the Library of Congress to abandon all schemes, policies and projections having the effect of producing titles which would be unusable by blind readers.

Adopted

DISTRIBUTION OF BRAILLE BOOKS

Mr. GASHEL. Now I want to direct your attention to the Library's request for appropriations to produce and distribute books in Braille. During fiscal year 1976 the Division intends to add 300 titles to the Braille collection and circulate 30 magazines in Braille. According to the Library, this will require an expenditure of $1,292,700. This proposal, in our opinion, is inadequate.

In fact, when set alongside the other major budget items, especially sound recordings and sound reproducers, this plan for a "hold the line" budget for Braille represents the continuation of a trend which we vigorously oppose.

At its 1974 Convention, the National Federation of the Blind considered various issues related to library services for the blind. Repeatedly, the theme was sounded that every effort must be made to preserve Braille as a necessary method of reading for the blind.

For several years we have felt, with good reason, that the Library of Congress has gone along with some others in deemphasizing the production and distribution of books in Braille in favor of sound recordings.

The official position of the National Federation of the Blind is contained in our resolution 74–10, and I ask that it be printed in the record as an attachment to this statement.

Senator HOLLINGS. It will be so included.

[The resolution follows:]

NATIONAL FEDERATION OF THE BLIND

RESOLUTIONS

ADOPTED BY THE THIRTY-FOURTH ANNUAL CONVENTION

City of Chicago, July 1974

RESOLUTION 74-10

WHEREAS the members of the NFB believe that the blind of this country should receive the best possible governmental services through those programs designated to serve them including the Library of Congress, Division for the Blind and Physically Handicapped; and

WHEREAS the Library of Congress, Division for the Blind and Physically Handicapped, is responsible for providing literature and other reading materials to the blind; and

WHEREAS it is becoming increasingly apparent that Braille literature and reading materials provided by the Library of Congress, Division for the Blind and Physically Handicapped, may be severely limited or reduced due to increased production and distribution costs; and

WHEREAS such a reduction of Braille services constitutes a serious infringement upon the rights of our Braille reading blind; and

WHEREAS the Library of Congress, Division for the Blind and Physically Handicapped is considering the practice of publishing Talking Book Topics in Braille; and

WHEREAS Mr. Frank Kurt Cylke, newly appointed Chief of the Division for the Blind and the Physically Handicapped, already has demonstrated his belief in providing top quality library services for the blind making it clear that he is sympathetic to our wants and needs; and

WHEREAS the new Chief has not had time to review all of the issues respecting the use of Braille: Now, therefore,

BE IT RESOLVED by the National Federation of the Blind in Convention assembled this 2nd day of July, 1974, in the City of Chicago, Illinois, that this organization strongly oppose the reduction or limitation of Braille literature and reading materials provided for the blind by the Library of Congress, Division for the Blind and Physically Handicapped; and

BE IT FURTHER RESOLVED that the NFB strongly urge the Library of Congress, Division for the Blind and Physically Handicapped to review its policy to the end that Talking Book Topics will again be produced in Braille; and

BE IT FURTHER RESOLVED that the officers of this organization be instructed to work with the Library of Congress, Division for the Blind and Physically Handicapped, to ensure that the blind of this country will receive improved and expanded Braille services.

Mr. GASHEL. This resolution makes clear our strong opposition to any plans which would further widen the gap between Braille production and production of books in other forms. It affirms our deep desire to increase, wherever and whenever possible, the production and distribution of books and other materials in Braille to the blind. Even a glance at the Division's requested appropriations for fiscal year 1976 reveals the continued de-emphasis of Braille in favor of sound recordings.

Usually the reasoning for cutting Braille goes like this: It is based on statistics which show that the largest portion of readers who borrow books from the Division do most of their reading through records and tapes. We contend, on the other hand, that this system has built-in biases, so that the statistics do not accurately portray an accurate picture of how much Braille might be used.

Let me show you why that is so. When selecting books from the Library, you often have to take what you can get, which may not be what you wnat or need. If you need to have Macchiavelli's "The Prince," you can't get it from the Division in Braille. They have it on tape only. If you need the book for extensive study or if you want to extract quotations from it, it is better not to borrow the copy from the Division, but to get a sighted person to read it with you. The cassette tape is not always an effective way for a person to work with a book.

Important, then, among the factors which are pulling in the direction of less Braille titles, is a more limited selection. But this more limited selection of titles is, itself, often justified on the basis that there are fewer Braille borrowers. What we have here is a nice piece of circular reasoning, which if carried to its logical extreme would mean zero Braille books for zero Braille borrowers.

RECORDINGS VS BRAILLE

Senator HOLLINGS. Is there some kind of rationale involved which says it is easier to listen to records than to teach you to read with your fingertips?

Mr. GASHEL. No; I think it is handier to produce the material on sound recordings. It is somewhat cheaper and faster. Braille costs have been rising and it is not being taught as it should be in the schools. There are a whole series of things.

We believe that the Library could give a real boost to the production and distribution of Braille books by increasing its library.

Senator HOLLINGS. As a blind person, tell me exactly what the significance of that is today; in other words, do you get a lot more satisfaction in reading Braille, where you can read at your own rate? Can you understand it better than listening to recordings all day? I know, I would rather read a book than listen to the radio; is it the same for you?

Mr. GASHEL. I think it is bad and also something else. As I have already pointed out, sometimes a book is not particularly usable in the recorded from, whereas, it is in Braille.

If is is a technical work and you want to look something up, you can't spend several hours going through a tape to find what you want; it is better to flip to the page you want. Also, if you are

trying to deal with some classical literature or poetry, sometimes you want to have those words right there to look at, sitting on the page so you can study it. You can't do that in a recorded form.

Senator HOLLINGS. How easy or difficult is it to learn to read Braille?

Mr. GASHEL. Really, it is not more difficult to read than print. Many Braille readers can read as rapidly as 200 or 300 words a minute, while some cannot. Some of the problem is the way Braille is taught. There is a tremendous tendency to de-emphasize it both in teaching and in the production and distribution of it.

Senator HOLLINGS. Do blind people themselves always prefer Braille and really reject the de-emphasizing?

Mr. GASHEL. What we are saying is, it is not appropriate to de-emphasize Braille and emphasize the other things. You shouldn't decrease one and have a trade-off on that by increasing the other. Blind people do very often prefer Braille to sound recordings and too often this is overlooked.

Senator HOLLINGS. Very good.

Mr. GASHEL. As we see it, Mr. Chairman, the time has now arrived for the Congress to express its vigorous support for the production and distribution of books in Braille for the blind. There is no more direct way to do this than through the process of appropriations. There is no better or more fitting time to do this than now. Nineteen hundred seventy-five is being celebrated worldwide as the 150th anniversary of Braille. What a great tribute it would be if the United States would mark this occasion by rededicating its energies to expanding production of Braille books, rather than continuing to preside over the decline of this method of reading for the blind. There are those who have attempted to argue that Braille is inferior to other reading techniques but, Mr. Chairman, they are wrong.

Senator HOLLINGS. You say there are those who are attempting to argue that Braille is inferior; are those blind persons that are arguing?

Mr. GASHEL. No; they are mostly not, some are professional people in the field. There are varying points of view but overwhelmingly the blind would like to have Braille increased.

Senator HOLLINGS. Very good.

Mr. GASHEL. Literally thousands of blind persons depend heavily on it every day to carry on their jobs, to be productive, and to meet their responsibilities. As you see, I do, myself. To us, being without Braille is tantamount to functional illiteracy. For many of us, having books readily available is not merely a matter of preference—it is a necessity. Certain materials do not lend themselves to sound recordings—they are only usable in Braille. This includes some of the world's best literature as well as technical works.

ADDITIONAL BRAILLE PUBLICATIONS

Accordingly, we request this committee to allocate additional funding to this category of the Library's budget. Specifically, we are asking that sufficient moneys be appropriated so that the Division can produce and distribute 400 new titles and 30 magazines during fiscal year 1976.

We estimate that this increase of 100 Braille titles over the Library's request will cost approximately $150,000. This would make the total amount to be budgeted for Braille $1,442,700. Mr. Chairman, we look upon this as a modest request, and especially so when reviewing the trend over the past couple of years. Placed alongside the other items in the Library's budget request, this rather small increase is certainly in keeping with the Division's valiant efforts to expand and improve its services.

If our request is approved, Braille production will keep pace with other programs. If it is not, then Braille will continue to lag further and further behind. Other major items in the Library's budget proposal include sound recordings and sound reproducers. We believe that these requests are sensible, reasonable, and realistic. We strongly urge you to act affirmatively on them. If these funds are allocated, the Division for the Blind and Physically Handicapped will be able to produce 1,000 titles and 24 magazines and provide the necessary machines to play them. No less than Braille, this phase of the Library's program is an important one.

We applaud the Division's initiatives to provide a meaningful service in this area. We fully endorse the request here. If the requested funds are approved, the Library will be able to make a modest, but sorely needed, expansion in its programs. It will still not keep pace, though, with libraries of comparable size designed to meet the reading needs of sighted persons. Of course, this cannot be changed overnight, and we do not expect that, but we do urge your continued commitment to bring about a program which can grow to a stage of equality.

Mr. Chairman, I want to take this occasion to commend you and the members of this committee for your consistent and generous support of this important program for the Nation's blind and physically handicapped. As we have taken this look with you at the Division's budget request for fiscal year 1976, it has been our hope that we might assist you in determining priorities. The overall thrust of our analysis supports the Library's request. We do, of course, hope that some adjustments and reallocations will be made as we have suggested.

Four hundred and eighty thousand blind and physically handicapped citizens now take advantage of this program, and the value they receive from it cannot be measured in dollars and cents alone. Library services, for anyone, blind or sighted, are an absolute necessity. Even so, sighted persons have an almost unlimited access to reading matter through newspapers, bookstores, book-of-the-month clubs, et cetera. Most of this is not available to the blind. We must depend on a single source—the Division for the Blind and Physically Handicapped and its network of cooperating regional libraries.

Without this necessary and unique service, many of us would find ourselves literally cutoff from the vital information and education, not to mention just plain entertainment, presented in the world of books. Of course, most of us are able to secure some regular assistance in reading printed material, but this is usually limited to our daily mail and business correspondence. It is quite another matter altogether to find someone who has the time, let along the inclination, to read aloud a newspaper, a popular magazine, or a best-selling book.

We cannot over-emphasize the personal significance of this program for the young and the old, the student and the teacher, the employed professional and the retired senior citizen. All of these, and many more, depend on the books for the blind and physically handicapped program.

Mr. Chairman, I want to conlude this statement by pointing out that a bed-rock principle of the Federations thinking about blindness and the blind is that persons without sight are innately normal human beings. Applying this principle to library services, we believe that people who are blind ought to have available to them library services which are at least as good as that which they could get if they were sighted and lived in a good library area.

Only in this way will blind people have the necessary resources at hand to compete totally on terms of equality with their sighted colleagues. Today, this philosophy is still a dream—a goal to be reached. In the future, it could become a reality, but it will not happen this year or even next. Nonetheless, all of us must set out sights on the goal and do what we can to achieve it. Only in this way, Mr. Chairman, will the blind of this country be well served.

I thank you very much and I am prepared to answer any questions you might have.

READING MACHINE FOR HANDICAPPED

Senator HOLLINGS. I think you have covered the subject very well. We have looked into this and I can see the priority you have given it—I used the wrong word—I can see the equality of the Braille with the sound systems that you are talking about. It is the equality that is of significance to you.

This particular machine that is being developed, you say that is not for the blind but for the handicapped? What is that machine, anyway?

Mr. GASHEL. As I understand it—and at this point I have seen the device but it is not operational at this stage and they want to make it so—it is a device which would enable persons who are bedfast to reflect a printed page on the ceiling or on the wall or something of that nature and be able to read that way.

Senator HOLLINGS. I see. Those are from funds employed under the budget for the blind?

Mr. GASHEL. Yes, sir. We think it is more appropriate to use those resources to provide sound producers that the blind and the physically handicapped can use alike.

The Library does, by law, serve physically handicapped persons who are not able to read other books; that is, who are not able to read printed pages for one reason or another due to a physical handicap. They cannot turn the page or use the book in some other way. So, we think that the appropriate thing to do is to provide a service to them with machines that blind persons can also use. We think that is the way to go.

TEACHING BRAILLE TO ELDERLY

Senator HOLLINGS. For persons blinded at an older age, is it that they prefer these recordings, or a number of them do? Could that

be the reason for the emphasis by the Library of Congress so that they benefit persons who lose their sight at a later age, say from 50 years of age? What is that breakdown?

Mr. GASHEL. Well, over half the blind population, the last I heard, 65 percent of the blind population is over age 50 and lose their sight later on from glaucoma, for example.

Senator HOLLINGS. What if a man of 60 loses his sight, is it easier and more appropriate for him to sit and listen to recordings because it is very difficult to learn Braille? Is it like a person learning a new language? You can take a kid to Germany and after awhile he will start speaking German like he was born there, and then you can take me; it would take me the rest of my life to learn that language.

Mr. GASHEL. You could learn it if you set your mind to doing it. In terms of appropriateness, I don't know. But, in terms of what is likely to occur, you would likely not learn Braille. It is not a matter of ability and it is not a matter of time or anything of that nature. The way things go, you probably wouldn't be channeled into training for that.

Senator HOLLINGS. You say 65 percent become blind later. If over half of the blind are blinded after they are 50, then it is less likely they will learn Braille. Could that explain the added emphasis given to sound recordings?

Mr. GASHEL. I think it does explain that; that is right. But, what about the large percentage of blind persons who are left out then? You see, those people who are younger, active people, they also need service. That should not be deemphasized for the other kind of thing.

Of course, we use sound recordings, too. I think you have a thing going here which should be a matter of equality. You shouldn't throw all the eggs into sound production when there is a large segment of the blind population, and a productive segment of the blind population, which needs this other kind of service. That perspective ought not to be lost.

Already you can see by the Library's request, that they are going to produce 1,000 titles in sound recordings and we are asking for 400 titles in Braille, which is less than half of that. But, at the same time, we are trying to narrow that gap some, trying to bring about some bit of equality in Braille production.

There are a lot of young, active blind persons who, as I pointed out, don't use the Library of Congress Division because the Braille books they want are not there and that should not be.

Senator HOLLINGS. I understand. I appreciate very much your testimony. It has been an excellent statement and very helpful to the Committee. Hereafter, we ought to hear from the Federation of the Blind and Mr. Gashel before we hear from the Library of Congress. I will ask the Library of Congress to supply a statement for the record to see what they have to say about these things.

[The statement from the Library of Congress follows:]

PREFACE

The Library of Congress welcomes the opportunity to comment upon testimony presented by James Gashel of the National Federation of the Blind to the Senate Subcommittee on Legislative Branch Appropriations. It is our considered opinion that funds requested for Fiscal Year 1976 support of the library program designed to serve blind and physically handicapped readers are justified as submitted.

We welcome the endorsement of the National Federation of the Blind and are pleased that the blind community holds in high regard the work of the Library of Congress.

In this document the specific points raised concerning reallocation of specific requests by the National Federation of the Blind are addressed. In addition the comments relating to ongoing Multi-State Center service are appended.

51-060 O - 75 - 34 (Pt. 2)

BOOKS IN RAISED CHARACTERS
Braille

The Library of Congress is concerned about maintaining a quality and cost-effective braille book and magazine program. As can be seen in Table I (page 3), increasing funds have been provided in response to budget requests; however, inflation has outstripped predictions. Between fiscal years 1972 and 1975 the average cost per braille title increased from $1,037 to approximately $1,550. The Fiscal Year 1976 cost is estimated at $1,610, or 55 percent higher than 1972. Similarly the average cost per braille magazine in multiple copies rose from $10,800 in 1972 to $18,400 in 1975 and is projected to reach $19,170 in 1976--a 77 percent increase over 1972. Braille readership has stabilized, with minor fluctuations. During 1974 the Library of Congress served 18,600 braille readers--63 percent of the 33,000 individuals cited by the American Foundation for the Blind as those who use braille as a primary reading mode. Without the requested increase of $332,000 in 1976 the number of titles produced will be further curtailed and the number of magazines either reduced by 50 percent or provided for only a 6-month period. At this time it is difficult to justify more than a 30 percent budget increase for 5 percent of our registered borrowers who are braille readers. As can be seen in Table II (page 4), service to the physically handicapped has not depleted the resources available to braille readers. Whereas the braille readership has increased by about 14 percent, the Library has been authorized to increase the

number of titles by 24 percent and the number of magazines by 500 percent. This emphasis on magazines is a result of pressure from readers to expand the resources in this direction.

The Library of Congress is currently exploring ways of improving the supply of braille resources available.

During Fiscal Year 1974 a survey of braille readers was conducted to determine reading preferences.

In the spring of Fiscal Year 1974 a 1-day meeting of braille producers was held to discuss present problems and future prospects; a second meeting will be held this summer.

A special braille print train has been installed at the Library of Congress computer facility. This will not only provide needed materials for braille readers on the division's staff but will also serve as an on-site experimental base for testing a variety of production techniques with several kinds of braille material.

We are encouraging a national organization serving blind persons to direct a national conference on braille technology to the point of lowering costs and considering alternate production techniques.

The Fiscal Year 1976 justification for increased R&D funds includes a substantial portion that will be used for further studies of braille technology.

With findings from these and other efforts, the Library of Congress will be able to redefine the goals of the braille program and to plan for the realization of these goals in an orderly fashion.

Table I. BRAILLE BOOKS FOR THE BLIND

Library of Congress
Press Braille Production

Fiscal Year	Braille Appropriation	Number of Titles		Avg. Cost Per Title	Number of Magazines	Avg. Cost Per Mag.	Braille Readers
		Est.	Actual				
1972	688,700	275	279	$ 1,037	17	$ 10,800	18,320
1973	758,200	300	274	1,295	23	13,325	18,910
1974	758,200	300	247	1,437	23	14,920	18,620
1975	960,700	300	(250)*	(1,550)*	30	18,400	(18,750)*
1976	1,292,700	300	-	(1,610)*	30	(19,170)*	(18,900)*

*Estimated

Table II. BRAILLE ACQUISITION AND READERSHIP SINCE INITIATION OF SERVICE TO PHYSICALLY HANDICAPPED

Library of Congress

Press Braille Production

Fiscal Year	Books		Magazines	Readers
	Estimated	Actual		
1967	242	250	6	16,478
1970	275	281	16	19,180
1973	300	274	23	18,910
1976	300	-	30	(18,750)*
% Increase 1967-1976	24%	-	500%	14%

*Estimated

OTHER SERVICES: RESEARCH AND DEVELOPMENT
Projected Books

In 1966, when Congress broadened the criteria for eligibility in this program to include the physically handicapped, the Library of Congress assumed responsibility for assuring that the widest possible range of eligible users was provided the opportunity to benefit from its services. For many, audio and tactile media are acceptable; for a significant minority, this is not so.

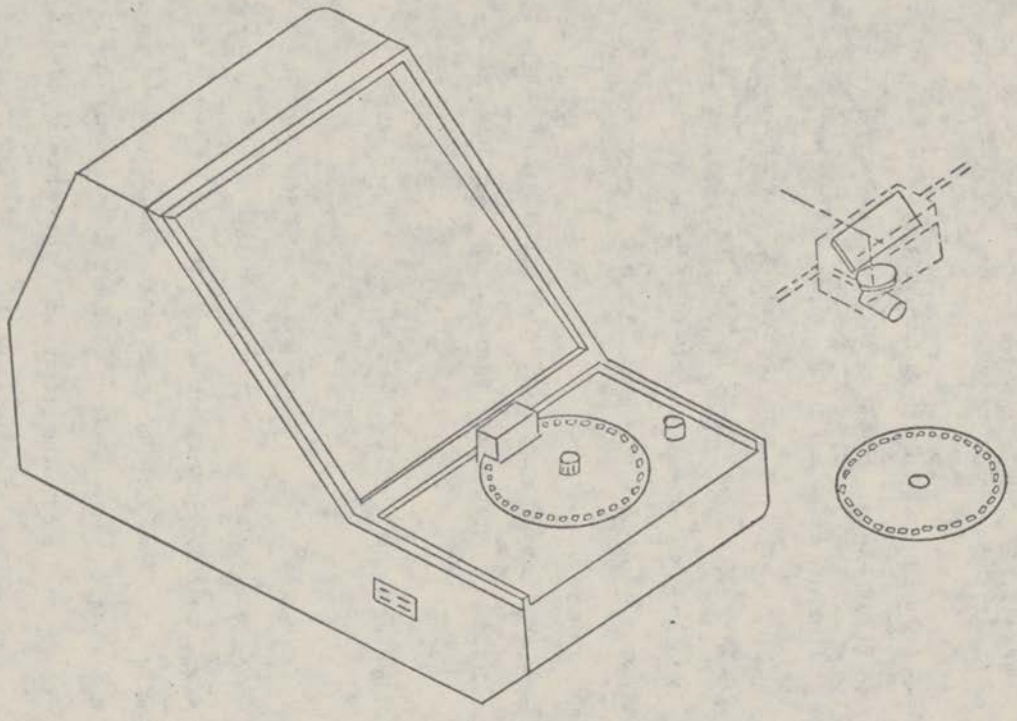
A study recently conducted by the Division for the Blind and Physically Handicapped has identified a target population of approximately 7.6 million individuals unable to use print books. Of these, approximately 1.3 million are visually handicapped while 6.3 million have a variety of physical handicaps. In this latter group, over 500,000 either have a loss of manual dexterity or forms of paralysis from such conditions as cerebral palsy, muscular dystrophy, spinal cord injuries, or stroke. As with other groups, a number of these individuals also suffer from varying degrees of hearing loss. For this significant minority, an alternate form of book production is being developed--the projected book.

The projected book system, as currently envisioned, would include a microform reader, motorized and specially modified to make reading possible for those unable to use the traditional printed, recorded, or tactile book forms. It would include such features as remote controls, portability, and low cost. (See line drawing, figure 4, page 8)

The mandate to serve all eligible readers is not a new concept. It has, in fact, influenced the Library of Congress decision to continue braille service at the present level. We know that approximately 5 percent of those in the program can use braille. Yet even with such a small number, groups like the deaf-blind find braille the only usable medium. We have a strong commitment to these groups. Each year more than $1 million is spent on braille. We would find it difficult to spend this sum on a single limited group, ignoring the needs of a significant minority. To avoid such discrimination we consider it essential to pursue our mandate to serve all eligible readers.

During Fiscal Year 1972 $57,065 was directed toward projected book research, and in Fiscal Year 1974 $85,818 was expended on basic engineering and design concepts. In Fiscal Year 1975 no monies were expended, as the period was utilized for in-house testing and refinement. It is suggested that $99,000 be utilized during Fiscal Year 1976 to test the projected book system with physically handicapped persons. Following the test a request will either be made to incorporate the program into the ongoing book production systems or to discontinue work as unfeasible and not cost-effective.

Services such as the projected book do not take money from the blind. Indeed, materials and equipment developed with one group in mind frequently benefit others. For example, when the physically handicapped were cited as eligible for service, budget increases commensurate with the expansion made possible a substantial increase in both the number of titles available and the number of copies per title. These increases benefited all users regardless of handicap.



MICROFORM READER : PROTOTYPE DESIGN

RFP: 74-25; Contract: LC 1087

FIGURE 4

OTHER SERVICES: MISCELLANEOUS
Multi-State Centers

A review of the Library of Congress agreement with the Multi-State Centers in Florida and Utah shows that at no point and in no way do the additional service and distribution points detract from local service. The prime function of the centers is to assist in making recorded- and braille-book backup and distribution more efficient. They do not replace the regional library's responsibility or autonomy. For example, the blind and physically handicapped of South Carolina gain rather than lose service. The regional library in Columbia is still their prime service center. The Multi-State Center in Daytona Beach, Florida, provides supplemental services--services as indicated in the appended letter and resolution--that could not otherwise be provided--which are made possible by contract with the Library of Congress.

A copy of the responsibilities and services offered under the Multi-State Center contract is attached. A review of this document shows specific service expectations. Service has been faster and even more personalized than before. The knowledge of regional needs possessed by these centers has permitted the beginning of regional volunteer efforts toward meeting requirements through cooperative, coordinated collection development. An example of the benefits of the Multi-State Centers for their participating libraries can be seen in the variety of magazines produced at the centers and distributed free of any reimbursement from the participants. Among these magazines are: Southern Living, Children's Digest, Family Health, Redbook, and Woman's Day.

The success of the centers is indicated by comments the division receives on this subject, such as:

> The Multi-State Center concept is a significant step in coping with the growth of the program. Depending on the Library of Congress for all our needs will become more unrealistic as demands from all 50 States keep increasing. (Texas Regional Librarian)

> Absolutely delighted with the Florida service ... was at first concerned because of location, but have no concern now; more than adequately served; they go above and beyond; this service is permitting us to be more responsive to our readership. (Kentucky Regional Librarian)

> We get everything we ask for ... reference backup is excellent ... WATS line works well ... response is rapid ... communication excellent. (Alabama Regional Librarian)

There is no competition among the 13 States using each center.

The first year of operation of these centers has been a significant one, and as collections and services continue to expand, the nation's blind and physically handicapped readers will increasingly witness the benefits of closer, more efficient service. The assistant director in charge of library and social services for the blind at the Iowa Commission for the Blind, stated in the February 1975 issue of the Braille Monitor: Voice of the National Federation of the Blind.

> By working within the framework of the regional library system (using multi-centers, using National Collections for interlibrary loan, and providing unput (sic) to the acquisition and distribution policies of the Division for the Blind and Physically Handicapped) and by an imaginative use of local resources and other peripheral organizations, the regional library of 1974 works to meet the total library needs of its blind and physically handicapped patrons.

We concur with this comment.

APPENDIX

DIVISION FOR THE BLIND AND PHYSICALLY HANDICAPPED

THE LIBRARY OF CONGRESS

WASHINGTON, D.C. 20542

MULTI-STATE CENTERS [1/]

The number of blind and physically handicapped persons receiving library service through the Library of Congress, Division for the Blind and Physically Handicapped, has increased by 260 percent since 1966. The number of cooperating libraries providing service to these readers has also increased dramatically, as have all other aspects of the program.

With this continuing rapid growth has come the need for a decentralized, broad-ranged, structure to bolster the efforts of the library network. Multi-State Centers (four are envisioned currently) have been designed to fill this need. A Multi-State Center will function as a materials support unit for a specified geographical area of approximately 13 States. Working with the Division on a contractual basis and relating directly to the regional libraries in its service area, each Center will (1) house and lend all materials available in the national program; (2) act as a focal point for volunteer production of material in its area; (3) maintain and circulate "special" collections of lesser-used materials, including back issues of magazines, cassette, and braille books selected for the National Collections program, and books produced by volunteers in its area; (4) store and lend sound reproducers and allied equipment as well as furnishing replacement parts and back-up repair service for these same items; and (5) house and ship nationally produced program promotion material such as brochures and catalogs.

1/ Multi-State Center/Library of Congress responsibilities as cited under Library of Congress prime contracts.

The Library of Congress envisions that a Multi-State Center will provide the following:

I. Multi-State Center

A. Storage

1. Library of Congress recorded material

a. Ten copies each talking book numbers 1 to 3500; 30 copies each talking book numbers 3501+

b. Cassette book masters on open reel for all titles produced nationally

c. Cassette book masters produced for limited distribution on open reel for all titles produced

d. Open reel masters for magnetic tape collection, numbers 1 to 5,000+

e. Back issues of periodicals--two copies per issue

2. Library of Congress braille

a. Two copies of all press braille books

b. Four copies of all current year's production (press braille series)

c. One thermoform copy of all hand-copied braille produced in coordination with the national program (handcopy braille series)

d. Back issues of periodicals--two copies per issue

3. Will coordinate with all volunteer producers in service area to receive intermaster (recorded and braille) of all material produced in area.

B. Storage and repair capability for sound reproducers and allied equipment

1. Have capability to receive, house, and ship up to 10,000 sound reproducing units

2. Have capability to receive, house, and ship up to 1,000 of each accessory

3. Have capability to house, receive, and ship talking book machine and cassette book machine replacement parts

4. Furnish space and equipment for pioneer repair of machines

   a. Workshop floor space must be large enough to allow for workbench, parts storage and be able to store machines to be repaired nearby. A minimum of 144 square feet is necessary for an adequate repair facility.

C. Publications--Have capability to receive, house, and ship a minimum of 10,000 copies each, including brochures and catalogs.

D. Means of rapid communication--either IN-WATS or unlimited acceptance of "collect" telephone calls from participating libraries and TWX terminal for contact with DBPH.

E. High speed tape duplication in the following configuration: open reel to open reel minimum three slaves; cassette to cassette minimum 12 slaves; open reel to cassette minimum three slaves.

F. Service

1. Braille

The Center's relationship with regional libraries in its service area may be one of three kinds depending upon the wishes of the regional library.

   a. A regional library may elect to surrender its entire braille collection and contract for total braille service from the Center. Under this arrangement the regional library's braille readers deal directly with the Center for the braille needs. Annual cost to be negotiated between library and Center.

   b. The regional library may choose to serve its braille readers with the current and previous year's press braille books and periodicals and obtain all additional material on interlibrary loan from the Center.

   c. A regional library may wish to provide full service to its braille readers. It would use the Center's service as a back-up for resource materials not in its collection.

   d. Under options (b) and (c) no charge may be applied to regional library for services rendered.

e. Regardless of arrangement, the Center holding a braille master will label and package copies upon demand for loan or assignment to libraries within network served and other Multi-State Centers.

2. Recorded material

a. Discs will be loaned upon request of regional libraries within service area.

b. Tape, open reel, or cassette will be loaned from stock if sufficient copies are available.

c. When copies are not available, will produce, label, and package cassette copies or open reel submasters upon demand for loan to libraries within the network served and other Multi-State Centers.

3. Sound reproducers and allied equipment

a. Sound reproducers will be distributed upon direction from the Division for the Blind and Physically Handicapped, Library of Congress (DBPH).

b. Accessories will be distributed upon demand and/or by DBPH direction.

c. Needles will be distributed upon demand and/or by DBPH direction.

d. Spare parts will be distributed upon demand and/or by DBPH direction.

4. Publications will be distributed, in bulk quantities, upon demand and/or by DBPH direction.

G. Minimum standards for delivery (for all requests, filled or not, information regarding action taken will be furnished to regional library within the time frames stipulated below).

1. Books

a. Numbered requests will receive 48-hour response in terms of item sent or, in cases of nonavailability, information regarding action taken.

b. Unnumbered requests (author, title, or subject) will receive response within 5 working days.

c. All unfilled requests will be forwarded to the Division for the Blind and Physically Handicapped. Unnumbered requests will be accompanied by completed search slips.

2. Sound reproducers, allied equipment, and replacement parts will be shipped within 24 hours of receipt of request and/or instructions from the Division for the Blind and Physically Handicapped.

3. Publications will be shipped within 24 hours of receipt of request and/or instructions from the Division for the Blind and Physically Handicapped.

H. Controls

1. Books and periodicals

a. Maintain integrated card file for all Multi-State Center material housed until the Division for the Blind and Physically Handicapped computer is operational.

b. Maintain ongoing program of collection development for Library of Congress produced material.

(1) Coordinate excess and redistribution program within own region.

(2) Generate "want list" and excess lists to other Multi-State Centers and the Division for the Blind and Physically Handicapped.

c. Maintain reserve system for all numbered material requested.

d. Maintain out files

(1) For back issues of magazines.

(2) For Multi-State Center material collections which cannot be duplicated; i.e., commercial cassettes or themoform copy.

e. Report deletions of unique items of Multi-State Center stock to the Division for the Blind and Physically Handicapped upon discovery.

2. Publications

   a. Minimum stock levels (to be assigned for each) will be maintained.

   b. Records of shipments will be in accordance with instructions from the Division for the Blind and Physically Handicapped.

3. Supplies

   a. Minimum stock levels (to be assigned for each item) will not be allowed to fall below minimum quantity assigned.

   b. Records of shipments will be in accordance with instructions from the Division for the Blind and Physically Handicapped.

4. Sound reproducers and allied equipment

   a. A running inventory will be maintained on a current basis for all equipment, accessories, needles, and replacement parts.

   b. Minimum stock levels (maximum ordering quantities will be assigned for sound reproducers, accessories, needles, and replacement parts) will be assigned by the Division for the Blind and Physically Handicapped and maintained as long as specific items are available.

   c. All shipments to participating libraries will be reported to the Division for the Blind and Physically Handicapped within 48 hours of shipment.

5. Reports

   a. Monthly

      (1) Pioneers activity limited to Multi-State Center operations.

      (2) Standard machine inventory reports but limited to Multi-State Center operations.

b. Quarterly

(1) Statistics for all circulation in Multi-State Center capacity by medium.

(a) Number of requests received.

(b) Number of requests filled.

(c) Number of requests received from individual libraries.

(d) Number of requests forwarded to the Division for the Blind and Physically Handicapped.

(2) Number of volunteer groups or individuals, not affiliated with an organization, from whom material has been obtained.

(3) Number of volunteer produced books, by medium, added to Multi-State Center collection.

II. Library of Congress will furnish:

A. Master recordings on open reel tape.

1. For recorded cassettes and cassette books produced for limited distribution

2. For recorded discs to be duplicated on cassettes

3. For magnetic tape books to be duplicated on open reel

B. Thermoform copies of handcopy braille books (one copy each) beginning with establishment.

C. Original cataloging and catalog cards for all volunteer produced material acquired by the Center.

D. Themoform equipment and supplies (NTE $3,000)

1. Thermoform machines

2. Thermoform paper

3. Braille mailing containers

E. Magnetic tape and allied supplies (NTE $5,000)

1. Blank open reel and cassette tape

2. Tape mailing containers

3. Raised numerals

4. Label stock

5. Cassette packing

F. Mailing labels in various formats (card, gummed, bag) for libraries in service area.

G. Containers for the shipment of sound reproducers (NTE $2,500).

H. Forms for reporting to the Division for the Blind and Physically Handicapped and for use in Center operations.

I. Semiannual review and assistance visits and consultation upon request.

J. Narrative reports: quarterly and annually (summary with recommendations).

SUBCOMMITTEE RECESS

Senator HOLLINGS. Do you wish to add anything further?

Mr. GASHEL. No, sir. I just want to thank you for having us here this morning.

Senator HOLLINGS. We will recess subject to call of the Chair.

[Whereupon, at 11:30 a.m., Wednesday, April 23, the subcommittee was recessed, to reconvene at the call of the chair.]

51-060 O - 75 - 35 (PT. 2)

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1976

FRIDAY, MAY 23, 1975

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 11:45 a.m., in room S–126, the Capitol, Hon. Walter (Dee) Huddleston presiding.

Present: Senator Huddleston.

U.S. SENATE

STATEMENT OF WILLIAM A. RIDGELY, FINANCIAL CLERK

ACCOMPANIED BY ROBERT A. MALSTROM, ASSISTANT FINANCIAL CLERK

BUDGET REQUEST

Senator HUDDLESTON. The subcommittee will come to order.

This morning the subcommittee will conclude the hearings on the Legislative Branch Appropriations for fiscal year 1976.

For the record, I want to note that the House approved H.R. 6950, the Legislative Branch Appropriations Act, on May 21. As passed by the House of Representatives, the bill includes a total of $698,760,800, which is $61,982,231 more than the budget authority for 1975.

Of course, the House did not provide for the Senate items which amount to approximately $120 million.

As the usual practice of the subcommittee, with us this morning is Mr. William A. Ridgely, Financial Clerk of the Senate, to present to the subcommittee the various budget requests for the Senate and the joint items. The subcommittee has already heard from the various officials of the Senate and the Joint Committees regarding the additional requirements for 1976. Mr. Ridgely will present the budget estimates for the ongoing activities.

I also want to welcome Mr. Robert A. Malstrom, Assistant Financial Clerk. Mr. Ridgely, you may begin.

Mr. RIDGELY. Thank you, Mr. Chairman.

Before proceeding to detailing the Senate items for fiscal year 1976, the hearings held by your committee on the Second Supplemental Appropriations bill for fiscal year 1975 reveal that requests have been submitted for additional funds—other than increased pay costs—for (1) Committee Employees, (2) Administrative and Clerical Assistants to Senators, and (3) Miscellaneous Items.

Since these supplemental requests, if approved, will affect the budget for fiscal year 1976, will you permit me to consider these supplemental requests in the amounts submitted as being enacted for the purpose of my presentation?

Senator HUDDLESTON. Yes; we will also insert in the record your letter of April 16, 1975, requesting the budget amendments for various items.

[The letter follows:]

United States Senate
OFFICE OF THE SECRETARY
DISBURSING OFFICE
WASHINGTON, D.C. 20510

April 16, 1975

Hon. Ernest F. Hollings, Chairman
Subcommittee on Legislative Branch Appropriations
Committee on Appropriations
United States Senate
Washington, D. C.

Dear Mr. Chairman:

Enclosed is a copy of my letter dated April 16, 1975 to the Director, Office of Management and Budget, transmitting proposed amendments to the budget estimates for fiscal year 1976 for the United States Senate.

These proposed amendments cover the increased agency contributions for the Federal Employees' Health Benefits program, which increase was effective January 1, 1975, and for the Federal Employees' Group Life Insurance program, which increase was effective March 1, 1975.

Respectfully,

William A. Ridgely

William A. Ridgely
Financial Clerk, U. S. Senate

LEGISLATIVE BRANCH

SENATE

April 16, 1975

BUDGET PAGE	HEADING	REQUEST PENDING	PROPOSED AMENDMENTS	REVISED REQUEST
11	Compensation and Mileage of the Vice President and Senators	$ 4,797,870.	$ +11,370.	$ 4,809,240.
	SALARIES, OFFICERS AND EMPLOYEES:			
12	Agency contributions and longevity compensation	4,000,000.	+750,000.	4,750,000.
12	OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE	556,000.	+1,900.	557,900.
	CONTINGENT EXPENSES OF THE SENATE:			
12	Senate Policy Committees For Each	732,880. (366,440.)	+3,430.	736,310. (368,155.)
12	Inquiries and Investigations Including	17,148,115. (570,180.)	+501,885.	17,650,000. (570,180.)
12	Miscellaneous Items	12,727,800.	+380.	12,728,180.
	JOINT ITEMS:			
	CONTINGENT EXPENSES OF THE SENATE:			
16	Joint Economic Committee	981,500.	+3,115.	984,615.
16	Joint Committee on Atomic Energy	630,000.	+2,000.	632,000.
16	Joint Committee on Printing	431,200.	+1,450.	432,650.
	OTHER JOINT ITEMS:			
17	Capitol Guide Service	366,480.	+1,970.	368,450.
		42,371,845.	+1,277,500.	43,649,345.

BASIS OF SENATE ESTIMATES

Mr. RIDGELY. Mr. Chairman, the budget estimates submitted for fiscal year 1976 are based on authorizations approved during fiscal year 1975 and prior years. The major portion of the increases are a reflection of the full year funding for increased pay costs, and agency contributions for health and life insurance.

No estimates have been submitted for any item that has not been previously authorized including all areas of expenses, new positions, changes in compensation and allowances.

The general pay increase of 5.52 percent authorized for employees of the Senate by the order of the President pro tempore dated October 7, 1974, was effective on October 1, 1974.

The increase in agency contributions for health insurance was effective January 1, 1975. Public Law 93–246 approved January 31, 1974, authorized an increase in the agency contribution from 50 percent to 60 percent. Together with the increased premiums effective January 1, 1975, the annual agency contribution increase per employee was $136.92 or a 38½ percent increase.

The increase in agency contributions for life insurance was effective March 1, 1975. The U.S. Civil Service Commission, by virtue of its authority under the law establishing the Federal employees group life insurance program, increased the cost of regular life insurance from $7.15 per-year-per-thousand to $9.23 per-year-per-thousand. The increase in the agency contribution was $1.02 per-year-per-thousand or a 28 percent increase.

Other changes in the estimates are reflected in (1) increased telegram allocation of the senatorial consolidated office expense allowance by 10 percent which was authorized by the Committee on Rules and Administration effective January 1, 1975, (2) full year funding for new statutory positions and salary adjustments authorized in the Supplemental Appropriation Act, 1975, (3) full year funding for the increase for committee employees in the Second Supplemental bill for fiscal year 1975, and (4) full year funding for Administrative and Clerical Assistants to Senators in the Second Supplemental bill for fiscal year 1975.

The total budget estimates submitted for regular Senate items for fiscal year 1976, including revisions, is in the amount of $113,328,800. This is an increase of $5,895,231 over the total appropriations of $107,433,569 for fiscal year 1975.

However, this increase includes $3,180,580 for increased pay costs absorbed during fiscal year 1975. I might add that the increased agency contributions for health insurance for 6 months and life insurance for 4 months were also absorbed during fiscal year 1975.

At this time, I will briefly cover each appropriation and highlight the changes. As I proceed, I will submit for the record tables or other data in support of each item.

SUMMARY OF SENATE ITEMS

First, I submit for the record a summary of all regular Senate items indicating the appropriations for fiscal year 1975; the revisions for fiscal year 1976, and the estimate submitted together with a table itemizing each line item with an explanatory note relating to the revisions.

I also submit for the record a tabulation of the estimates submitted for the 3-month transition period of July 1, 1976 to September 30, 1976. I have already furnished the reporter a copy of this. This table follows it in the book.

[The tabulation follows:]

UNITED STATES SENATE

	APPROPRIATION	Appropriated Fiscal Year 1975 (P.L. 93-371)	Appropriated Supplemental Appropriation 1975	Appropriated 2nd Supplemental Appropriation 1975	Total Appropriated Fiscal Year 1975	Revisions Increase	Revisions Decrease	Estimate Fiscal Year 1976
1	Compensation and Mileage of the Vice President and Senators	$ 4,790,695			$ 4,790,695	$ 18,545		$ 4,809,240
2	Expense Allowances of the Vice President and Majority and Minority Leaders	16,000			16,000			16,000
3	Total, Vice President and Senators	$ 4,806,695			$ 4,806,695	$ 18,545		$ 4,825,240
	Salaries, Officers and Employees:							
4	Office of the Vice President	552,045			552,045	31,570		583,615
5	Offices of the Majority and Minority Leaders	215,460			215,460	6,050		221,510
6	Offices of the Majority and Minority Whips	110,580			110,580	2,370		112,950
7	Office of the Chaplain	28,500			28,500	1,700		30,200
8	Office of the Secretary	2,691,345	$ 75,525		2,766,870	156,420		2,923,290
9	Committee Employees	8,069,490	349,980	$ 75,050	8,494,520	395,925		8,890,445
10	Conference of the Majority	174,135			174,135	10,390		184,525
11	Conference of the Minority	174,135			174,135	10,390		184,525
12	Administrative and Clerical Assistants to Senators	42,477,540		26,274	42,503,814	3,161,606		45,665,420
13	Office of the Sergeant at Arms and Doorkeeper	11,998,500			11,998,500	708,560		12,707,060
14	Offices of the Secretaries for the Majority and Minority	265,050			265,050	6,870		271,920
15	Agency Contributions and Longevity Compensation	4,000,000			4,000,000	750,000		4,750,000
16	Total, Salaries, Officers and Employees	$ 70,756,780	$425,505	$101,324	$ 71,283,609	$5,241,851		$ 76,525,460
	Other, Senate:							
17	Legislative Counsel	$ 521,740		$ 23,550	$ 545,290	$ 12,610		$ 557,900
18	Senate Procedure	$ 5,000			$ 5,000		$ 5,000	$ None
	Contingent Expenses of the Senate:							
19	Senate Policy Committees	685,560		30,160	715,720	20,590		736,310
20	Automobiles and Maintenance	40,000			40,000			40,000
21	Expenses of Inquiries and Investigations	16,253,175	5,000	575,625	16,833,800	816,200		17,650,000
22	Folding Documents	82,045		3,400	85,445	1,130		86,575
23	Miscellaneous Items	12,921,450		168,100	13,089,550		$ 211,370	12,878,180
24	Postage Stamps	2,485			2,485			2,485
25	Stationery (Revolving Fund)	25,450	300	225	25,975	675		26,650
26	Total, Contingent Expenses	$ 30,010,165	$ 5,300	$777,510	$ 30,792,975	$ 838,995	$ 211,370	$ 31,420,200
27	Total, Senate	$106,100,380	$430,805	$902,384	$107,433,569	$6,111,601	$ 216,370	$113,328,800

	APPROPRIATION	Fiscal Year 1975 Appropriation	Fiscal Year 1976 Estimate Revision	Fiscal Year 1976 Estimate	REVISION ITEMIZATION
1	COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS.....	$ 4,790,695	$ +18,545	$ 4,809,240	Agency contributions for health insurance increased effective 1/1/75 and for life insurance effective 3/1/75
2	EXPENSE ALLOWANCES OF THE VICE PRESIDENT AND MAJORITY AND MINORITY LEADERS.....	16,000	-0-	16,000	No change
3	TOTALS.....	$ 4,806,695	$ +18,545	$ 4,825,240	
4	SALARIES, OFFICERS AND EMPLOYEES:				
5	Office of the Vice President.....	$ 552,045	$ +31,570	$ 583,615	Increased pay costs = $31,570 ($23,680 absorbed in fiscal year 1975
6	Offices of the Majority and Minority Leaders.....	215,460	+6,050	221,510	Increased pay costs = $6,050 ($4,540 absorbed in fiscal year 1975)
7	Offices of the Majority and Minority Whips.....	110,580	+2,370	112,950	Increased pay costs = $2,370 ($1,780 absorbed in fiscal year 1975)
8	Office of the Chaplain.....	28,500	+1,700	30,200	Increased pay costs = $1,700 ($1,275 absorbed in fiscal year 1975)
9	Office of the Secretary....	2,766,870	+156,420	2,923,290	a) Increased pay costs = $131,625 ($117,315 absorbed in fiscal year 1975) b) Full year funding increase in Disbursing Office allowance = $10,260 c) Full year funding of 2 new positions in the Office of the Secretary = $13,395

	APPROPRIATION	Fiscal Year 1975 Appropriation	Fiscal Year 1976 Estimate Revision	Fiscal Year 1976 Estimate	REVISION ITEMIZATION
	SALARIES, OFFICERS AND EMPLOYEES: (continued)				
	Office of the Secretary (continued).....				d) Full year funding of the upgrading of one position in the Office of the Secretary = $1,140
10	Committee Employees.....	$ 8,494,520	$ +395,925	$ 8,890,445	a) Increased pay costs = $171,090 ($128,320 absorbed in fiscal year 1975) b) Full year funding of increase for the Committee on Appropriations = $224,835
11	Conference of the Majority.	174,135	+10,390	184,525	Increased pay costs = $10,390 ($7,795 absorbed in fiscal year 1975)
12	Conference of the Minority.	174,135	+10,390	184,525	Increased pay costs = $10,390 ($7,795 absorbed in fiscal year 1975)
13	Administrative and Clerical Assistants to Senators...	42,503,814	+3,161,606	45,665,420	a) Increased pay costs = $2,612,072 ($2,351,505 absorbed in fiscal year 1975) b) Restoration of fiscal year 1975 absorption to fund the salary ceiling increase in other offices = $409,260 c) Restoration of fiscal year 1975 absorption to fund the top position salary ceiling in each Senator's office = $114,000 d) Full year funding of change of population category for Senators from the State of Texas = $26,274
14	Office of Sergeant at Arms and Doorkeeper.....	11,998,500	+708,560	12,707,060	Increased pay costs = $708,560 ($531,420 absorbed in fiscal year 1975)

	APPROPRIATION	Fiscal Year 1975 Appropriation	Fiscal Year 1976 Estimate Revision	Fiscal Year 1976 Estimate	REVISION ITEMIZATION
	SALARIES, OFFICERS AND EMPLOYEES: (continued)				
15	Offices of the Secretaries for the Majority and Minority.....	$ 265,050	$ +6,870	$ 271,920	Increased pay costs = $6,870 ($5,155 absorbed in fiscal year 1975)
16	Agency contributions and longevity compensation...	4,000,000	+750,000	4,750,000	Agency contributions for (1) health insurance increased 1/1/75; (2) life insurance increased on 3/1/75, and (3) Civil Service Retirement from 10/1/74 on increased compensation
17	TOTALS.....	$ 71,283,609	$+5,241,851	$ 76,525,460	
18	OTHER, SENATE				
19	OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE.....	$ 545,290	$ +12,610	$ 557,900	a) Full year funding for increased pay costs = $9,305 b) Health insurance agency contribution increase effective 1/1/75 = $2,740 c) Life insurance agency contribution increase effective 3/1/75 = $565
20	SENATE PROCEDURE.....	$ 5,000	$ -5,000	$ None	Non-recurring item for fiscal year 1975
21	CONTINGENT EXPENSES OF THE SENATE				
22	SENATE POLICY COMMITTEES..... (Each Committee)	$ 715,720 (357,860)	$ +20,590 (+10,295)	$ 736,310 -(368,155)	a) Full year funding for increased pay costs = $14,310 ($7,155 for each) b) Health insurance agency contribution increase effective 1/1/75 = $5,480 ($2,740 for each)

	APPROPRIATION	Fiscal Year 1975 Appropriation	Fiscal Year 1976 Estimate Revision	Fiscal Year 1976 Estimate	REVISION ITEMIZATION
	CONTINGENT EXPENSES OF THE SENATE (continued)				
	SENATE POLICY COMMITTEES (continued).....				c) Life insurance agency contribution increase effective 3/1/75 = $800 ($400 for each)
23	AUTOMOBILES AND MAINTENANCE..	$ 40,000	$ None	$ 40,000	No change
24	INQUIRIES AND INVESTIGATIONS.	16,833,800	+816,200	17,650,000	a) Full year funding for increased pay costs = $700,835 b) Health insurance agency contribution increased effective 1/1/75 = $99,680 c) Life insurance agency contribution increased effective 3/1/75 = $15,685
25	FOLDING DOCUMENTS.....	85,445	+1,130	86,575	Full year revision for increased pay costs = $1,130
26	MISCELLANEOUS ITEMS.....	13,089,550	-211,370	12,878,180	a) Full year funding for increased pay costs = $1,697 b) Increase in Consolidated Office Expense Allowance per 10% increase of the telegram allocation by the Committee on Rules and Administration = $125,688 c) Increase in the allocation for supplies, etc. for microfilm supplies = $34,500 d) Decrease in the allocation for the Employees Compensation Fund reimbursement = $-8,255 e) Decrease in the allocation for mechanical equipment and repair - fiscal year 1975 non-recurring item = $-325,000 f) Decrease in the allocation for the Senate Chamber - fiscal year 1975 non-recurring item = $-40,000

	APPROPRIATION	Fiscal Year 1975 Appropriation	Fiscal Year 1976 Estimate Revision	Fiscal Year 1976 Estimate	REVISION ITEMIZATION
	CONTINGENT EXPENSES OF THE SENATE (continued):				
27	POSTAGE STAMPS.....	$ 2,485	$ None	$ 2,485	No change
28	STATIONERY (REVOLVING FUND)..	25,975	+675	26,650	Full year funding for the increase from $3,600 to $4,500 per year for the Office of the Vice President
29	TOTALS - CONTINGENT FUND.....	$ 30,792,975	$ +627,225	$ 31,420,200	
30	TOTAL - SENATE.....	$107,433,569	$+5,895,231	$113,328,800	

Compensation and Mileage of the Vice President and Senators and Expense Allowances of the Vice President and Majority and Minority Leaders

Mr. Ridgely. Going to the first item of compensation and mileage of the Vice President and Senators, I will present for the record a breakdown of that estimate. It indicates the salaries included for the Vice President, President pro tempore, majority and minority leaders, and the other Senators, together with the agency contributions and the amount included for the statutory mileage allowance.

The total estimate on this item is $4,809,240.

Senator Huddleston. We will insert this in the record without objection.

[The information follows:]

COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS

Fiscal Year 1976

Compensation:	Vice President	$ 62,500.	
	President Pro Tempore	49,500.	
	Majority Leader	49,500.	
	Minority Leader	49,500.	
	97 Senators at $42,500 each	4,122,500.	$4,333,500.00
Agency Contributions:			
	Retirement (at 8%)	$346,680.00	
	Life Insurance (101 x $207.66)	20,973.66	
	Health Insurance (101 x $492.24)	49,716.24	417,369.90
	Total Compensation and Contributions		$4,750,869.90
Mileage:	241,656 miles x .20¢ = $48,331.20 plus reserve of $10,038.80.		58,370.00
			$4,809,239.90
			OR
	Estimate		$4,809,240.00

Mr. Ridgely. The increase of $18,545 for 1976 over 1975 is related to the agency contributions for life and health insurance.

The next item is expense allowances of the Vice President and the leaders of the Senate. There is no change in this item. The expense allowance for the Vice President is $10,000 and for each leader $3,000 for a total of $16,000.

Salaries, Officers and Employees

VICE PRESIDENT

Under salaries of officers and employees, the first item is Office of the Vice President. The estimate is $583,615, an increase of $31,570.

The major part of this is the increased pay costs from the October 1 increase, which were totally absorbed for 9 months during fiscal year 1975.

TRANSITION PERIOD

I might go back to the first two items since I overlooked the estimates for the transition period. If we can insert it at this point the estimate for the transition period for compensation and mileage of the Vice President and Senators is $1,205,000 and for the expense allowances of the Vice President and Senators it is $4,000.

Senator HUDDLESTON. Yes; I will place in the record this table of your estimates of the transition period requirements for the Senate.

[The table follows:]

51-060 O - 75 - 36 (Pt. 2)

SENATE

Compensation and Mileage of the Vice President and Senators and Expense Allowances of the Vice President and Leaders of the Senate:		
Compensation and Mileage of the Vice President and Senators	$1,205,000	
Expense Allowances of the Vice President and Majority and Minority Leaders	4,000	$ 1,209,000
Salaries, Officers and Employees:		
Office of the Vice President	$ 146,000	
Offices of the Majority and Minority Leaders	55,400	
Offices of the Majority and Minority Whips	28,500	
Office of the Chaplain	7,600	
Office of the Secretary	731,000	
Committee Employees	2,225,000	
Conference of the Majority	46,250	
Conference of the Minority	46,250	
Administrative and Clerical Assistants to Senators	11,417,000	
Office of Sergeant at Arms and Doorkeeper	3,180,000	
Offices of the Secretaries for the Majority and Minority	68,000	
Agency Contributions and Longevity Compensation	1,200,000	19,151,000
Office of the Legislative Counsel of the Senate		140,000
Contingent Expenses of the Senate:		
Senate Policy Committees	184,000	
Automobiles and Maintenance	10,000	
Inquiries and Investigations	4,415,000	
Folding Documents	40,000	
Miscellaneous Items	3,225,000	
Postage Stamps	625	
Stationery (Revolving Fund)	6,700	7,881,325
TOTAL - SENATE		$28,381,325

MAJORITY AND MINORITY LEADERS

Offices of the majority and minority leaders, the estimate for fiscal year 1976 is $221,510. This covers four positions for each office of the leaders. I submit for the record a breakdown of this item. It is a summary of the two offices, the aggregate and then for each office the number of positions in effect on June 30, 1973, June 30, 1974 and the current number and not to exceed salary rate for each position.

Senator HUDDLESTON. These allowances are in addition to their regular allowances as a Senator?

Mr. RIDGELY. Yes, sir.

[The breakdown follows:]

OFFICES OF THE MAJORITY AND MINORITY LEADERS

SUMMARY

STATUTORY POSITIONS

	GROSS SALARY
Office of the Majority Leader	$110,755.
Office of the Minority Leader	110,755.
TOTAL	$221,510.

OFFICE OF THE MAJORITY LEADER

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Administrative assistant	1	1	1	$ 36,765.
Legislative assistant	1	1	1	35,334.
Executive secretary	1	1	1	20,838.
Clerical assistant	1	1	1	17,818.
TOTAL - OFFICE OF THE MAJORITY LEADER				$110,755.

OFFICE OF THE MINORITY LEADER

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Administrative assistant	1	1	1	$ 36,765.
Legislative assistant	1	1	1	35,334.
Executive secretary	1	1	1	20,838.
Clerical assistant	1	1	1	17,818.
TOTAL - OFFICE OF THE MINORITY LEADER				$110,755.

Mr. RIDGELY. The estimate for the transition period for this item is $55,400.

Senator HUDDLESTON. Yes; we have that on the table inserted earlier and I think that this list of all the transitional items will generally be sufficient.

Mr. RIDGELY. All right, sir. We will then bypass this itemization.

MAJORITY AND MINORITY WHIPS

The next item is the offices of the Majority and Minority whips, the estimate is $112,950. This covers two positions in the office of each whip. I have the same presentation for these two offices for insertion in the record.

[The breakdown follows:]

OFFICES OF THE MAJORITY AND MINORITY WHIPS

SUMMARY

STATUTORY POSITIONS

	GROSS SALARY
Office of the Majority Whip	$ 56,474.
Office of the Minority Whip	56,474.
TOTAL	$112,948.

OFFICE OF THE MAJORITY WHIP

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Administrative assistant	1	1	1	$ 35,636.
Executive secretary	1	1	1	20,838.
TOTAL - OFFICE OF THE MAJORITY WHIP				$ 56,474.

OFFICE OF THE MINORITY WHIP

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Administrative assistant	1	1	1	$ 35,636.
Executive secretary	1	1	1	20,838.
TOTAL - OFFICE OF THE MINORITY WHIP				$ 56,474.

Mr. RIDGELY. Once again the increase of $2,370 on this is related to the absorbed increased pay costs from last year.

CHAPLAIN

The next item is Office of the Chaplain, the estimate is $30,200. I submit for the record the statutory positions authorized. The increase of $1,700 is also related to the increased pay costs.

[The document follows:]

OFFICE OF THE CHAPLAIN

STATUTORY POSITIONS

Position	Number positions June 30, 1973	Number positions June 30, 1974	Current number positions	Current gross salary
Chaplain	1	1	1	$16,912
Secretary	1	1	1	13,288
Total—Office of the Chaplain				30,200

OFFICE OF THE SECRETARY

Mr. RIDGELY. Office of the Secretary. The estimate for fiscal year 1976 is $2,923,290. The increase of $156,420 is related to four items. The principal one is the absorbed increased pay costs. The other three items is the full year funding on (1) the upgrading of one position in the Secretary's office; (2) the creation of two new positions in the Secretary's office, and (3) an increase in the disbursing office allowance.

I submit for the record a breakdown of the Secretary's office in a more detailed form than usually submitted. First, his administrative office, which is his principal office; the Office of the Parliamentarian; Office of the Printing Clerk; the Legislative Office; Daily Digest; and so forth. I submit this breakdown for the record.

Senator HUDDLESTON. Without objection.

[The breakdown follows:]

OFFICE OF THE SECRETARY OF THE SENATE

SUMMARY

STATUTORY POSITIONS

	GROSS SALARY
Administrative Office	$ 311,638.
Office of the Parliamentarian	137,431.
Legislative Office	256,398.
Office of the Printing Clerk	74,896.
Daily Digest	66,138.
Clerical and Messenger Staff	110,532.
Disbursing Office	505,418.
Document Room	210,192.
Library	226,198.
Stationery Room	184,220.
Office of the Reporters of Debates	499,872.
Public Records Office	223,782.
Administrative Roll	116,572.
TOTAL	$2,923,287.

ADMINISTRATIVE OFFICE

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Secretary of the Senate	1	1	1	$38,760.
Assistant Secretary of the Senate	1	1	1	37,620.
Administrative Assistant	1	1	1	28,690.
Secretary	1	1	1	21,442.
Receptionist	1	1	1	16,308.
Technical advisor	0	1	1	28,690.
Special assistant	1	1	1	21,744.
Curator of Arts and Antiquities	1	1	1	32,314.
Secretary to the Curator	1	1	1	15,402.
Assistant to the majority	1	1	1	35,334.
Assistant to the minority	1	1	1	35,334.
TOTAL - ADMINISTRATIVE OFFICE				$311,638.

OFFICE OF THE PARLIAMENTARIAN

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Parliamentarian	1	1	1	$37,620.
Assistant Parliamentarian	1	1	1	34,579.
2d Assistant Parliamentarian	1	1	1	26,878.
3d Assistant Parliamentarian	1	1	1	22,952.
Secretary to Parliamentarian	1	1	1	15,402.
TOTAL - OFFICE OF THE PARLIAMENTARIAN				$137,431.

OFFICE OF THE PRINTING CLERK

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Printing Clerk	1	1	1	$26,878.
Assistant Printing Clerk	1	1	1	24,160.
Clerk (Office of Printing Clerk)	1	1	1	13,590.
Delivery Clerk	1	1	1	10,268.
TOTAL - OFFICE OF THE PRINTING CLERK				$74,896.

LEGISLATIVE OFFICE

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Legislative Clerk	1	1	1	$34,579.
Assistant Legislative Clerk	1	1	1	33,522.
2d Assistant Legislative Clerk	1	1	1	26,878.
Journal Clerk	1	1	1	34,579.
Assistant Journal Clerk	1	1	1	15,402.
Executive Clerk	1	1	1	21,442.
Assistant Executive Clerk	1	1	1	15,402.
Enrolling Clerk	1	1	1	26,878.
Clerk of enrolled bills	1	1	1	21,442.
Bill Clerk	1	1	1	15,402.
Assistant Bill Clerk	1	1	1	10,872.
TOTAL - LEGISLATIVE OFFICE				$256,398.

DAILY DIGEST

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Editor, Digest	1	1	1	$28,992.
Assistant editor, Digest	1	1	1	25,368.
Clerk, Digest	1	1	1	11,778.
TOTAL - DAILY DIGEST				$66,138.

CLERICAL AND MESSENGER STAFF

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Deputy special assistant	1	1	1	$12,080.
Clerk	7	7	7	10,268. ea.
Assistant messenger	1	1	1	9,966.
Assistant messenger	1	1	1	8,758.
Assistant messenger	1	1	1	7,852.
TOTAL - CLERICAL AND MESSENGER STAFF				$110,532.

DISBURSING OFFICE

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Financial clerk	1	1	1	$ 37,620.
Disbursing Office Allowance				467,798.
TOTAL - DISBURSING OFFICE				$505,418.

DOCUMENT ROOM

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Superintendent, document room	1	1	1	$28,388.
Assistant superintendent, document room	1	1	1	20,838.
1st assistant, document room	1	1	1	15,402.
2d assistant, document room	1	1	1	14,798.
Special assistant	1	1	1	14,194.
Assistant in document room	6	6	6	12,382. ea.
Chief messenger in document room	1	1	1	11,174.
Custodial assistant, document room	1	1	1	10,570.
Messenger	1	1	1	10,268.
Messenger	1	1	1	10,268.
TOTAL - DOCUMENT ROOM				$210,192.

LIBRARY

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Librarian	1	1	1	$ 28,388.
Assistant librarian	1	1	1	20,838.
Senior reference assistant	1	1	1	14,798.
Senior reference assistant	1	1	1	15,402.
Chief indexer	1	1	1	18,120.
Assistant indexer	1	1	1	12,382.
Secretary in the library	1	1	1	12,382.
Reference assistant	5	5	5	12,382. ea.
Chief messenger in library	1	1	1	11,174.
Messenger	3	3	3	10,268. ea.
TOTAL - LIBRARY				$226,198.

STATIONERY ROOM

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Keeper of Stationery	1	1	1	$ 28,388.
Assistant Keeper of Stationery	1	1	1	22,952.
Chief clerk, stationery room	1	1	1	16,308.
Bookkeeper, stationery room	1	1	1	14,798.
Clerk	4	4	4	12,382. ea.
Messenger	3	4	4	10,268. ea.
Messenger	0	1	1	11,174.
TOTAL - STATIONERY ROOM				$184,220.

OFFICE OF THE REPORTERS OF DEBATES

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Chief reporter of debates	1	1	1	$ 36,000.
Reporter of debates	7	7	7	35,938. ea.
Assistant reporter of debates	1	1	1	28,690.
Staff assistant	1	1	1	21,442.
Special assistant	1	1	1	21,442.
Expert transcriber	6	6	6	20,838. ea.
Clerk	1	1	1	15,704.
TOTAL - OFFICE OF THE REPORTERS OF DEBATES				$499,872.

PUBLIC RECORDS OFFICE

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Superintendent, Public Records Office	0	1	1	$ 28,388.
Assistant Superintendent, Public Records Office	0	1	1	20,838.
Chief Auditor, Public Records Office	0	1	1	15,402.
Secretary, Public Records Office	0	1	1	15,402.
Clerk, Public Records Office	0	1	1	13,590.
Technical assistant, Public Records Office	0	1	1	12,382.
Technical assistant, Public Records Office	0	1	1	12,382.
Technical assistant, Public Records Office	0	1	1	12,382.
Technical assistant, Public Records Office	0	2	2	12,382. ea.
Auditor, Public Records Office	0	1	1	15,402.
Secretary, Public Records Office	0	1	1	12,684.
Clerk, Public Records Office	0	1	1	11,476.
Chief Elections Investigator	0	0	1	28,690.
TOTAL - PUBLIC RECORDS OFFICE				$223,782.

ADMINISTRATIVE ROLL

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Administrative Fund				$116,572.
TOTAL - ADMINISTRATIVE ROLL				$116,572.

Senator HUDDLESTON. Related to this, Senator Hollings has noted that the listing of the statutory positions for the Disbursing office shows only your position of Financial Clerk at a gross salary of $37,620 and then a Disbursing office allowance of $467,798.

Senator Hollings requests that you provide for the record a listing of the positions and salaries that make up the $467,798.

Mr. RIDGELY. All right, sir. I have a copy of that with me and submit it for the record now.

Senator HUDDLESTON. We will include it in the record.

[The list follows:]

DISBURSING OFFICE ALLOWANCE

Position	Gross Salary
Assistant financial clerk	31,710
Senior staff assistant	29,596
Retirement and insurance clerk	22,952
Payroll supervisor	22,952
Staff Assistant	24,160
Accountant	22,952
Assistant payroll supervisor	16,610
Administrative auditor and Editor	22,348
Assistant administrative auditor	16,308
Accounting clerk	12,986
Payroll clerk	11,778
Payroll clerk	11,778
Payroll clerk	12,382
Payroll clerk	12,684
Payroll clerk	12,382
Payroll clerk	11,778
Payroll clerk	10,117
Assistant administrative auditor	11,174
Accounting clerk	11,174
Clerk	11,174
Clerk	12,986
Secretary	12,684
Secretary	9,362
Chief messenger, disbursing office	11,476
Messenger, disbursing office	9,966
Special officer, disbursing office	12,986
Clerk, disbursing office	8,305
Total Salaries	$416,760
Unused Balance	51,038
Total Allowance	$467,798

Mr. RIDGELY. This is a lump sum allowance. There are no fixed positions or fixed salaries. The salaries are fixed by the Financial Clerk and are approved by the Secretary of the Senate.

Senator HUDDLESTON. You can hire as many people as you need within that total?

Mr. RIDGELY. Yes, sir. The allowance is actually like the old senatorial allowance. It cannot be exceeded on a day-to-day basis in the aggregate.

Senator HUDDLESTON. Are the salaries that you present on this chart at not-to-exceed rates for these positions.

Mr. RIDGELY. No, sir. They can be adjusted upward or downward.

Senator HUDDLESTON. Without regard to the limitations that are on a Senator's staff?

Mr. RIDGELY. The limitation for the office would be the general limitation for the Senate which is $37,050. That would be the maximum salary.

Senator HUDDLESTON. Is there room for merit increases for the staff?

Mr. RIDGELY. Yes; there is. I might note that any changes in salaries are recommended by the Financial Clerk and are approved by the Secretary of the Senate.

PUBLIC RECORDS OFFICE

Senator HUDDLESTON. With regard to the Public Records Office, which of the 14 positions established for the Public Records Office are currently filled?

Mr. RIDGELY. In this breakdown we have a listing for the Public Records Office of 13 positions.

Senator HUDDLESTON. We have 14 with two people in one position.

Mr. RIDGELY. I am sorry. I was counting titles. Yes, sir. They are all filled at the present time.

ADMINISTRATIVE ROLL

Senator HUDDLESTON. Can you provide for the record a listing of the positions, titles, and salaries of the personnel currently employed on the Secretary's Administrative Roll?

Mr. RIDGELY. Yes, sir, I can. I don't have those with me, but I can get them. I think right now it is two. One position is occupied by an individual who has been working for the Secretary of the Senate on the Federal Elections Act of 1970 and is moving to the new Federal Elections Commission.

Senator HUDDLESTON. Mr. Potter?

Mr. RIDGELY. Yes, sir. I believe that is what is going to happen. But I will furnish that to the committee and have it put in the record.

[The list follows:]

OFFICE OF THE SECRETARY OF THE SENATE

ADMINISTRATIVE ROLL

Position:	*Gross annual salary*
Secretary	$12,533

COMMITTEE EMPLOYEES

Mr. RIDGELY. Our next item is for Committee Employees. The estimate for fiscal year 1976 is $8,890,445. This appropriation is for staffing the standing committees of the Senate and the Select Committee on Small Business.

The increase of $395,925 is reflected by the increased pay costs and the full year revision of the additional funds for the Committee on Appropriations.

I submit for the record a summary of this item. It is broken down into the Appropriations Committee positions as authorized by the Legislative Reorganization Act, the other 18 committees and the listing of other authorized positions. I submit this summary for the record.

[The summary follows:]

COMMITTEE EMPLOYEES

Appropriations	(8,213*)	$1,240,163.
Others (18)	(42,421+**)	$6,405,588.
Resolution and Reorganization (49 positions)	(8,243***)	$1,244,693.

* 9,306 units less 1,093 units on limited positions = 8,213 units
**51,081 units less 8,660 units on limited positions = 42,421+ units
*** 9,531 units less 1,288 units on limited positions = 8,243 units
69,918 units less 11,041+ units on limited positions = 58,877+ units $8,890,444.

STANDING COMMITTEE MAXIMUM RATES:

Appropriations Committee:

3 at $ 46,206 limited to $ 37,050

16 at $ 44,243 limited to $ 35,636

Others (17):

6 PSM	2 NTE $ 46,206	limited to $ 37,050	= $	74,100	(490+)
1 CC	4 NTE $ 44,243	limited to $ 35,636	= $	142,544	(944)
1 ACC	2 NTE $ 42,431	limited to $ 33,975	= $	67,950	(450)
4 CA	NTE $ 17,818		= $	71,272	(472)
			$	355,866	(2,356+)
				x18	x18
(2,818 units less 462+ units on limited positions = 2,357 units)			$6,405,588		(42,421+)

LIMITED POSITIONS - REDUCTION

Appropriations:
3 at $46,206 limited to $37,050 (-181 units)
16 at 44,243 limited to 35,636 (-912 units)
(-1,093 units)

Others:
2 at $46,206 limited to $37,050 (-2,182+ units)
4 at 44,243 limited to 35,636 (-4,104 units)
2 at 42,431 limited to 33,975 (-2,016 units)
(-8,302 units)

RESOLUTION AND REORGANIZATION ROLL

(All salaries are not to exceed rates)

POSITION AND AUTHORITY	COMMITTEE	GROSS SALARY
Permanent		
Clerical Assistant Public Law 92-136	Aeronautical and Space Sciences (Min.)	$ 17,818
Clerical Assistant Public Law 92-136	Armed Services (Min.)	17,818
Clerical Assistant Public Law 92-136	District of Columbia (Min.)	17,818
Professional Staff Member S. Res. 224, April 20, 1966	Finance $42,431 limited to	33,975
Professional Staff Member S. Res. 224, April 20, 1966	Finance 42,431 limited to	33,975
Professional Staff Member S. Res. 224, April 20, 1966	Finance 42,431 limited to	33,975
Professional Staff Member S. Res. 224, April 20, 1966	Finance 42,431 limited to	33,975
Professional Staff Member S. Res. 224, April 20, 1966	Finance 42,431 limited to	33,975
Professional Staff Member S. Res. 224, April 20, 1966	Finance 42,431 limited to	33,975
Clerical Assistant S. Res. 66, February 17, 1969	Finance	17,818
Clerical Assistant S. Res. 66, February 17, 1969	Finance	17,818
Clerical Assistant S. Res. 66, February 17, 1969	Finance	17,818
Clerical Assistant S. Res. 66, February 17, 1969	Finance	17,818
Clerical Assistant S. Res. 66, February 17, 1969	Finance	17,818

RESOLUTION AND REORGANIZATION ROLL—Continued

(All salaries are not to exceed rates)

POSITION AND AUTHORITY	COMMITTEE	GROSS SALARY
Permanent		
Clerical Assistant S. Res. 66, February 17, 1969	Finance	$ 17,818
Professional Staff Member S. Res. 30, February 2, 1959	Foreign Relations $42,431 limited to	33,975
Professional Staff Member S. Res. 30, February 2, 1959	Foreign Relations 42,431 limited to	33,975
Professional Staff Member S. Res. 247, February 7, 1962	Foreign Relations 42,431 limited to	33,975
Clerical Assistant S. Res. 30, February 2, 1959	Foreign Relations	17,818
Clerical Assistant S. Res. 30, February 2, 1959	Foreign Relations	17,818
Clerical Assistant S. Res. 30, February 2, 1959	Foreign Relations	17,818
Professional Staff Member S. Res. 355, August 18, 1959	Government Operations 42,431 limited to	33,975
Clerical Assistant Public Law 92-136	Government Operations (Min.)	17,818
Professional Staff Member S. Res. 66, February 17, 1949	Judiciary 42,431 limited to	33,975
Professional Staff Member S. Res. 66, February 17, 1949	Judiciary 42,431 limited to	33,975
Clerical Assistant S. Res. 66, February 17, 1949	Judiciary	17,818
Clerical Assistant S. Res. 66, February 17, 1949	Judiciary	17,818
Clerical Assistant S. Res. 66, February 17, 1949	Judiciary	17,818

RESOLUTION AND REORGANIZATION ROLL—Continued

(All salaries are not to exceed rates)

POSITION AND AUTHORITY	COMMITTEE	GROSS SALARY
Permanent		
Professional Staff Member S. Res. 74, February 20, 1967	Labor and Public Welfare	$42,431 limited to $ 33,975
Professional Staff Member S. Res. 74, February 20, 1967	Labor and Public Welfare	42,431 limited to 33,975
Professional Staff Member S. Res. 74, February 20, 1967	Labor and Public Welfare	42,431 limited to 33,975
Professional Staff Member S. Res. 74, February 20, 1967	Labor and Public Welfare	42,431 limited to 33,975
Professional Staff Member S. Res. 74, February 20, 1967	Labor and Public Welfare	42,431 limited to 33,975
Professional Staff Member S. Res. 74, February 20, 1967	Labor and Public Welfare	42,431 limited to 33,975
Professional Staff Member S. Res. 74, February 20, 1967	Labor and Public Welfare	42,431 limited to 33,975
Assistant Chief Clerk S. Res. 74, February 20, 1967	Labor and Public Welfare	42,431 limited to 33,975
Clerical Assistant S. Res. 74, February 20, 1967	Labor and Public Welfare	17,818
Clerical Assistant S. Res. 74, February 20, 1967	Labor and Public Welfare	17,818
Clerical Assistant S. Res. 74, February 20, 1967	Labor and Public Welfare	17,818
Clerical Assistant S. Res. 74, February 20, 1967	Labor and Public Welfare	17,818
Clerical Assistant S. Res. 74, February 20, 1967	Labor and Public Welfare	17,818
Clerical Assistant S. Res. 74, February 20, 1967	Labor and Public Welfare	17,818

RESOLUTION AND REORGANIZATION ROLL—Continued

(All salaries are not to exceed rates)

POSITION AND AUTHORITY	COMMITTEE	GROSS SALARY
Permanent		
Clerical Assistant S. Res. 74, February 20, 1967	Labor and Public Welfare	$ 17,818
Clerical Assistant S. Res. 74, February 20, 1967	Labor and Public Welfare	17,818
Clerical Assistant S. Res. 74, February 20, 1967	Labor and Public Welfare	17,818
Professional Staff Member S. Res. 253, February 10, 1964	Labor and Public Welfare	$42,431 limited to 33,975
Clerical Assistant S. Res. 14, February 8, 1965	Post Office and Civil Service	17,818
Professional Staff Member S. Res. 342, July 28, 1958.	Rules	42,431 limited to 33,975
Assistant Chief Clerk Public Law 93-145	Rules	42,431 limited to 33,975
SUMMARY: 21 Professional Staff Members at $42,431 limited to $33,975		
2 Assistant Chief Clerks at		42,431 limited to 33,975
26 Clerical Assistants at		17,818
49 positions at $1,439,181 limited to		$1,244,693
(9,531 units less 1,288 units = 8,243 units)		

STAFFING AND FUNDING OF STANDING COMMITTEES

Senator HUDDLESTON. On pages 502 through 509 of last year's hearings, there was included a summary of the authorized staff of the standing committees of the Senate. While recognizing that the funding resolutions for the various committees have not been finalized, I would appreciate your inserting in the record at this point a similar tabulation based on the resolutions as submitted to the Committee on Rules and Administration.

I also think that this listing should be extended to cover all of the special and select committees.

Could you arrange to furnish the committee with an updated version of this tabulation when the funding resolutions have been reported from the Committee on Rules and Administration and approved by the Senate?

Mr. RIDGELY. Yes, sir. I have for insertion in the record under the item for inquiries and investigation a listing of what was authorized last year as approved by the Senate and what has been requested this year. But I remember the tabulation we furnished the committee last year and I will furnish one similar to that and have it put in the record at this point.

[The tabulation follows:]

STANDING COMMITTEES OF THE UNITED STATES SENATE

AUTHORIZED STAFF

COMMITTEE ON APPROPRIATIONS.....$1,240,163

Any number of Professional Staff Members at not to exceed	$33,975	) of which: 3 may be paid at
One (1) Chief Clerk at not to exceed	33,975	) not to exceed $37,050 AND
One (1) Assistant Chief Clerk at not to exceed	33,975	) 16 may be paid at not to
Two (2) Assistant Clerks at not to exceed	33,975	) exceed $35,636
Any number of Assistant Clerks at not to exceed	26,274	
Any number of Clerical Assistants at not to exceed	17,818	

EIGHTEEN (18) OTHER COMMITTEES (including the Select Committee on Small Business).....$ 355,866

Six (6) Professional Staff Members at not to exceed	$33,975	) of which: 2 may be paid at not
One (1) Chief Clerk at not to exceed	33,975	) to exceed $37,050 AND 4 may be
One (1) Assistant Chief Clerk at not to exceed	33,975	) paid at not to exceed $35,636
Four (4) Clerical Assistants at not to exceed	17,818	

AUTHORIZED FUNDS

COMMITTEE ON APPROPRIATIONS

Standing Committee Staff (lump sum fiscal year appropriation included in Salaries, Officers and Employees under the heading "Committee Employees")	$1,240,163	
Standing Committee Expense Funds	105,000	(b)
Funds Authorized by Senate Resolution 193, agreed to October 14, 1943 for:		
1. Investigations Division (lump sum fiscal year appropriation included in "Inquiries and Investigations")	570,180	
TOTAL	$1,915,343	

COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

Standing Committee Staff	$ 355,866	(a)
Additional Standing Committee Staff:		
1. One (1) Permanent Clerical Assistant (Minority Employee per Legislative Reorganization Act Amendments - Public Law 92-136)	17,818	(a)
Standing Committee Expense Funds	5,000	(b)
Additional Authorization requested for current funding year for:		
1. General Investigations	57,000	(c)
TOTAL	$ 435,684	

COMMITTEE ON AGRICULTURE AND FORESTRY

Standing Committee Staff	$ 355,866	(a)
Standing Committee Expense Funds	5,000	(b)
Additional Authorization requested for current funding year for:		
1. Subcommittee on Rural Development	250,000	(c)
TOTAL	$ 610,866	

COMMITTEE ON ARMED SERVICES

Standing Committee Staff		$ 355,866	(a)
Additional Standing Committee Staff:			
1. One (1) Permanent Clerical Assistant (Minority Employee per Legislative Reorganization Act Amendments - Public Law 92-136)		17,818	(a)
Standing Committee Expense Funds		42,500	(b)
Additional Authorization requested for current funding year for:			
1. Consultants for Standing Committee	$ 40,000		
2. General Investigations	487,000		
3. Subcommittee on Preparedness	118,000	645,000	(c)
TOTAL		$1,061,184	

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Standing Committee Staff		$ 355,866	(a)
Standing Committee Expense Funds		5,000	(b)
Additional Authorization requested for current funding year for:			
1. General Investigations	$415,000		
2. Subcommittee on Housing and Urban Affairs	240,000		
3. Subcommittee on Securities Industries	145,000		
4. Oversight	90,000	890,000	(c)
TOTAL		$1,250,866	

COMMITTEE ON THE BUDGET

Standing Committee Staff		$ 355,866
Standing Committee Expense Funds		5,000
Additional Authorization requested for current funding year for:		
1. General Investigations		1,892,000
TOTAL		$2,252,866

COMMITTEE ON COMMERCE

Standing Committee Staff		$ 355,866	(a)
Standing Committee Expense Funds		5,000	(b)
Additional Authorization requested for current funding year for:			
1. General Investigations	$2,347,639		
2. Study of Regulatory Agencies*	375,000	2,722,639	(c)
TOTAL		$3,083,505	

COMMITTEE ON THE DISTRICT OF COLUMBIA

Standing Committee Staff		$ 355,866	(a)
Additional Standing Committee Staff:			
1. One (1) Permanent Clerical Assistant (Minority Employee per Legislative Reorganization Act Amendments - Public Law 92-136)		17,818	(a)
Standing Committee Expense Funds		5,000	(b)
Additional Authorization requested for current funding year for:			
1. General Investigations		175,000	(c)
TOTAL		$ 553,684	

COMMITTEE ON FINANCE

Standing Committee Staff		$ 355,866	(a)
Additional Standing Committee Staff:			
1. Six (6) Permanent Professional Staff Members for Standing Committee (authorized by Senate Resolution 224, agreed to April 20, 1966)		203,850	(a)
2. Six (6) Permanent Clerical Assistants for Standing Committee (authorized by Senate Resolution 66, agreed to February 17, 1969)		106,908	(a)
3. Two (2) Temporary (1 year) Professional Staff Members for Standing Committee (requested for current funding year)		67,950	
4. Two (2) Temporary (1 year) Clerical Assistants for Standing Committee (requested for current funding year)		35,636	

*Joint Study with Committee on Government Operations

COMMITTEE ON FINANCE (continued)

Standing Committee Expense Funds		$ 5,000	(b)
Additional Authorization requested for current funding year for:			
1. General Investigations		990,000	
TOTAL		$1,765,210	

COMMITTEE ON FOREIGN RELATIONS

Standing Committee Staff		$ 355,866	(a)
Additional Standing Committee Staff:			
1. Two (2) Permanent Professional Staff Members for Standing Committee (authorized by Senate Resolution 30, agreed to February 2, 1959)		67,950	(a)
2. One (1) Permanent Professional Staff Member for Standing Committee (authorized by Senate Resolution 247, February 7, 1962)		33,975	(a)
3. Three (3) Permanent Clerical Assistants for Standing Committee (authorized by Senate Resolution 30, agreed to February 2, 1959)		53,454	(a)
Standing Committee Expense Funds		5,000	(b)
Additional Authorization requested for current funding year for:			
1. U. S. Foreign Policy	$885,000		
2. Multinational Corporations	390,000		
3. Foreign Assistance and Economic Policy	247,000	1,522,000	(c)
TOTAL		$2,038,245	

COMMITTEE ON GOVERNMENT OPERATIONS

Standing Committee Staff		$ 355,866	(a)
Additional Standing Committee Staff:			
1. One (1) Permanent Professional Staff Member for Standing Committee (authorized by Senate Resolution 355, agreed to August 18, 1959)		33,975	(a)

COMMITTEE ON GOVERNMENT OPERATIONS (continued)

2. One (1) Permanent Clerical Assistant for Standing Committee (Minority Employee per Legislative Reorganization Act Amendments - Public Law 92-136)		$ 17,818	(a)
Standing Committee Expense Funds		5,000	(b)
Additional Authorization requested for current funding year for:			
1. General Investigations	$ 239,200		
2. Permanent Investigations Subcommittee	1,113,000		
3. Subcommittee on Intergovernmental Relations	388,544		
4. Subcommittee on Reports, Accounting and Management	258,618		
5. Subcommittee on Federal Spending Practices, Efficiency, and Open Government	292,000		
6. Oversight Procedure	115,000		
7. Study of Regulatory Agencies*	375,000	2,781,362	(c)
TOTAL		$3,194,021	

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Standing Committee Staff	355,866	(a)
Standing Committee Expense Funds	5,000	(b)
Additional Authorization requested for current funding year for:		
1. General Investigations	817,000	(c)
TOTAL	$1,177,866	

*Joint Study with Committee on Commerce

COMMITTEE ON THE JUDICIARY

Standing Committee Staff		$ 355,866	(a)
Additional Standing Committee Staff:			
1. Two (2) Permanent Professional Staff Members for Standing Committee (authorized by Senate Resolution 66, agreed to February 17, 1949)		67,950	(a)
2. Three (3) Permanent Clerical Assistants for Standing Committee (authorized by Senate Resolution 66, agreed to February 17, 1949)		53,454	(a)
Standing Committee Expense Funds		5,000	(b)
Additional Authorization requested for current funding year for:			
1. Subcommittee on Administrative Practice and Procedure	$429,500		
2. Subcommittee on Antitrust and Monopoly	815,100		
3. Subcommittee on Constitutional Amendments	310,000		
4. Subcommittee on Constitutional Rights	381,800		
5. Subcommittee on Criminal Laws and Procedures	258,000		
6. Subcommittee on Federal Charter, Holidays and Celebrations	17,500		
7. Subcommittee on Immigrations and Naturalization	223,500		
8. Subcommittee on Improvements in Judicial Machinery	272,000		
9. Subcommittee on Internal Security	400,000		
10. Subcommittee on Juvenile Delinquency	428,000		
11. Subcommittee on Patents, Trademarks, and Copyrights	168,000		
12. Subcommittee on National Penitentiaries	98,000		
13. Subcommittee on Refugees and Escapees	220,000		
14. Subcommittee on Revision and Codification	70,000		
15. Subcommittee on Separation of Powers	280,000		
16. Subcommittee on FBI Oversight	20,000	4,391,400	(c)
TOTAL		$4,873,670	

COMMITTEE ON LABOR AND PUBLIC WELFARE

Standing Committee Staff	$ 355,866	(a)
Additional Standing Committee Staff:		
1. Seven (7) Permanent Professional Staff Members for Standing Committee (authorized by Senate Resolution 74, agreed to February 20, 1967)	237,825	(a)
2. One (1) Permanent Professional Staff Member for Standing Committee (authorized by Senate Resolution 253, agreed to February 10, 1964)	33,975	(a)
3. One (1) Permanent Assistant Chief Clerk for Standing Committee (authorized by Senate Resolution 74, agreed to February 20, 1967)	33,975	(a)
4. Nine (9) Permanent Clerical Assistants for Standing Committee (authorized by Senate Resolution 74, agreed to February 20, 1967)	160,362	(a)
Standing Committee Expense Funds	5,000	(b)
Additional Authorization requested for current funding year for:		
1. General Investigations	1,850,000	(c)
TOTAL	$2,677,003	

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Standing Committee Staff	$ 355,866	(a)
Additional Standing Committee Staff:		
1. One (1) Permanent Clerical Assistant for Standing Committee (authorized by Senate Resolution 14, agreed to February 8, 1965)	17,818	(a)
Standing Committee Expense Funds	5,000	(b)
Additional Authorization requested for current funding year for:		
1. General Investigations	235,000	(c)
TOTAL	$ 613,684	

COMMITTEE ON PUBLIC WORKS

Standing Committee Staff	$ 355,866	(a)
Standing Committee Expense Funds	5,000	(b)
Additional Authorization requested for current funding year for:		
1. General Investigations	875,000	(c)
TOTAL	$1,235,866	

COMMITTEE ON RULES AND ADMINISTRATION

Standing Committee Staff	$ 355,866	(a)
Additional Standing Committee Staff:		
1. One (1) Permanent Professional Staff Member for Standing Committee (authorized by Senate Resolution 342, agreed to July 28, 1958)	33,975	(a)
2. One (1) Permanent Assistant Chief Clerk for Standing Committee (authorized by Legislative Branch Appropriation Act, 1974 - Public Law 93-145)	33,975	(a)
Standing Committee Expense Funds	15,000	(b)
Additional Authorization by Senate Resolution 29, agreed to January 27, 1975 for:		
1. Subcommittee on Privileges and Elections $180,000		
2. Subcommittee on Computer Services 252,600	432,600	(c)
TOTAL	$ 871,416	

COMMITTEE ON VETERANS' AFFAIRS

Standing Committee Staff	$ 355,866	(a)
Standing Committee Expense Funds	5,000	(b)
Additional Authorization requested for current funding year for:		
1. General Investigations	304,000	(c)
TOTAL	$ 664,866	

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SELECT COMMITTEE ON SMALL BUSINESS

Standing Committee Staff	$ 355,866	(a)
Standing Committee Expense Funds	5,000	(b)
Additional Authorization requested for current funding year for:		
1. General Investigations	263,000	(c)
TOTAL	$ 623,866	

(a) Fiscal Year Appropriation included in Salaries, Officers and Employees under the heading "Committee Employees."

(b) One year equals one-half of the $10,000 per Congress authorized by Section 134a of the Legislative Reorganization Act of 1946 as amended plus one-half of additional amounts for the same purposes authorized by Senate resolution. These funds are available for expenses of the Committee other than salary and are paid from the appropriation "Inquiries and Investigations."

(c) These funds are available for salaries and expenses and are paid from the appropriation "Inquiries and Investigations." The authorized period for these funds is from March 1 through February 28 of each year.

CONFERENCE OF MAJORITY AND MINORITY

Mr. RIDGELY. The next item is the Conference of the Majority, estimate for 1976 is $184,525. The increase is $10,390 and is represented by the absorbed increased pay costs from last year.

The Conference of the Minority, the estimate is the same as for the Conference of the Majority, $184,525, the increase of $10,390 is also covered by the absorbed increased pay costs.

Senator HUDDLESTON. Does this cover personnel?

Mr. RIDGELY. This is for personnel only; yes, sir.

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

The next item is for Administrative and Clerical Assistants to Senators. The estimate for 1976 is $45,665,420. The increase of $3,161,606 is covered by four items. The first is a full year funding of the increased allowance for the Senators from the State of Texas.

The second item is a restoration of the amount absorbed in fiscal year 1975 to finance the increase in salary ceilings authorized in the Legislative Appropriation Act of 1975.

It also includes the increase for the top position salary ceiling in each Senator's office which was also absorbed last year and then the major part is reflected in the absorbed increased pay costs from last October 1.

I submit for the record a chart of the population categories, the number of Senators in each category, the allowance for each Senator and the total for each group.

[The document follows:]

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

Population (in millions)	Number of Senators	Allowance		Group Total
Less than 2	34	$ 392,298		$ 13,338,132
2 but less than 3	18	404,076		7,273,368
3 but less than 4	12	432,464		5,189,568
4 but less than 5	12	469,006		5,628,072
5 but less than 7	6	498,904		2,993.424
7 but less than 9	4	530,312		2,121,248
9 but less than 10	2	564,438		1,128,876
10 but less than 11	2	590,712		1,181,424
11 but less than 12	4	625,140		2,500,560
12 but less than 13	2	651,414		1,302,828
13 but less than 15	0	684,936		- 0 -
15 but less than 17	0	718,458		- 0 -
17 or more	4	751,980		3,007,920
Total	100			$ 45,665,420

SERGEANT AT ARMS AND DOORKEEPER

Mr. RIDGELY. The next item, Office of the Sergeant at Arms and Doorkeeper, the estimate for fiscal year 1976 is $12,707,060. The increase of $708,560 is represented by the absorbed increased pay costs.

I submit for the record a summary and breakdown by departments under the Office of the Sergeant of Arms similar to the one I submitted for the Office of the Secretary.

[The summary follows:]

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

SUMMARY

STATUTORY POSITIONS

	GROSS SALARY
Administrative Office	$ 350,424.
Computer Center	1,359,000.
Drivers-Messengers	83,352.
Senate Chamber	520,950.
Press Gallery	159,456.
Radio-TV Press Gallery	90,298.
Periodical Press Gallery	42,582.
Press Photographers Gallery	42,582.
Recording Studio	316,194.
Cabinet Shop	108,116.
Telephone Exchange	335,220.
Janitors Department	648,696.
Service Department - Administrative	384,446.
Service Department - Equipment Section	252,472.
Service Department - Duplicating Section	557,794.
Service Department - Folding and Inserting Section	244,318.
Service Department - Microfilm Center	88,184.
Service Department - Warehouse	83,050.
Senate Post Office	823,856.
Capitol Police	5,944,266.
Senate Pages	271,800.
TOTAL	$12,707,056.

ADMINISTRATIVE OFFICE

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Sergeant at Arms and Doorkeeper	1	1	1	$38,760.
Administrative assistant to Sergeant at Arms	1	1	1	33,522.
Telecommunications adviser	1	1	1	25,972.
Secretary to the Sergeant at Arms	1	1	1	16,912.
Secretary	1	1	1	13,288.
Clerk	1	1	1	13,892.
Procurement officer, auditor, and Deputy Sergeant at Arms	1	1	1	33,522.
Chief Clerk, Deputy Sergeant at Arms	1	1	1	15,402.
Assistant Chief Clerk, Deputy Sergeant at Arms	1	1	1	10,872.
Clerk	1	1	1	21,140.
Stockroom clerk	1	1	1	12,080.
Auditor	1	1	1	10,872.
Clerk-stenographer	1	1	1	10,570.
Special employee	15	15	15	6,040. ea.
Special employee	1	1	1	1,510.
Special employee	1	1	1	1,510.
TOTAL - ADMINISTRATIVE OFFICE				$350,424.

COMPUTER CENTER

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Clerk	1	1	1	$16,610.
Computer center manager	0	1	1	29,596.
Senior programer supervisor	0	2	2	28,388. ea.
System supervisor	0	1	1	28,388.
Manager programer	1	1	1	26,274.
Lead analyst	0	1	1	24,462.
Programer	1	1	1	23,858.
Senior programer analyst	2	5	5	23,858. ea.
Systems programer	1	3	3	22,046. ea.
Systems programer	0	0	2	22,046. ea.
Senior programer	1	1	1	21,744.
Computer specialist	0	4	4	20,234. ea.
Production manager	1	1	1	19,932.
Applications programer	1	1	1	19,026.
Programer analyst	0	2	2	18,422. ea.
Program analyst	2	2	2	18,422. ea.
Technical writer	0	1	1	17,818.
Supervisor operator	0	1	1	16,912.
Job controller	1	1	1	14,798.
Liaison and documentation specialist	1	1	1	14,798.
Support operator	0	3	3	13,892. ea.
Operator	1	1	1	13,892.

COMPUTER CENTER (cont'd.)

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Programer-operator	1	1	1	$13,590.
Operator	1	1	1	12,986.
Operator	1	4	4	12,382. ea.
Systems clerk	0	1	1	11,174.
Key punch operator	1	1	1	8,154.
Senior computer specialist	0	0	4	25,670. ea.
Senior programer analyst	0	0	2	23,858. ea.
Systems analyst	0	0	3	22,046. ea.
Programer analyst	0	0	8	22,046. ea.
Computer specialist	0	0	4	19,328. ea.
Secretary-receptionist	0	0	1	11,778.
Secretary	0	0	1	10,872.
TOTAL - COMPUTER CENTER				$1,359,000.

DRIVERS-MESSENGERS

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Driver-messenger, Vice President	1	1	1	$13,892.
Driver-messenger, President Pro Tempore	1	1	1	13,892.
Driver-messenger, Majority Leader	1	1	1	13,892.
Driver-messenger, Minority Leader	1	1	1	13,892.
Driver-messenger, attending physician	1	1	1	13,892.
Driver-messenger	1	1	1	13,892.
TOTAL - DRIVERS-MESSENGERS				$83,352.

SENATE CHAMBER

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Special officer	1	1	1	$12,382.
Assistant doorkeeper	1	1	1	16,308.
Messenger acting as assistant doorkeeper	1	1	1	13,288.
Messenger acting as assistant doorkeeper	3	3	3	12,684. ea.
Messenger at card door	1	1	1	16,308.
Messenger at card door	1	1	1	14,798.
Messenger at pass door	1	1	1	11,778.
Messenger at pass door	1	1	1	11,778.
Chief messenger	1	1	1	12,080.
Messenger	25	25	25	10,570. ea.
Messenger	4	4	4	9,966. ea.
Messenger	1	1	1	9,060.
Messenger	2	2	2	8,758. ea.
Chief messenger for the minority	1	1	1	11,778.
Messenger for the minority	3	3	3	10,570. ea.
TOTAL - SENATE CHAMBER				$520,950.

PRESS GALLERY

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Superintendent of Press Gallery	1	1	1	$28,086.
1st assistant superintendent of Press Gallery	1	1	1	25,066.
2d assistant superintendent of Press Gallery	1	1	1	19,630.
3d assistant superintendent of Press Gallery	1	1	1	17,516.
4th assistant superintendent of Press Gallery	1	1	1	13,892.
Messenger for service to press correspondents	1	1	1	9,060.
Messenger for service to press correspondents	1	1	1	9,060.
Secretary, Press Gallery	1	1	1	12,684.
Press liaison	1	1	1	13,892.
Assistant at the press door	1	1	1	10,570.
TOTAL - PRESS GALLERY				$159,456.

RADIO-TV PRESS GALLERY

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Superintendent of Radio Press Gallery	1	1	1	$28,086.
1st assistant superintendent in Radio Press Gallery	1	1	1	25,066.
2d assistant superintendent in Radio Press Gallery	1	1	1	19,630.
3d assistant superintendent in Radio Press Gallery	1	1	1	17,516.
TOTAL - RADIO-TV PRESS GALLERY				$90,298.

PERIODICAL PRESS GALLERY

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Superintendent, Periodical Press Gallery	1	1	1	$25,066.
Assistant superintendent, Periodical Press Gallery	1	1	1	17,516.
TOTAL - PERIODICAL PRESS GALLERY				$42,582.

PRESS PHOTOGRAPHERS GALLERY

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Superintendent, Press Photographers Gallery	1	1	1	$25,066.
Assistant Superintendent, Press Photographers Gallery	1	1	1	17,516.
TOTAL - PRESS PHOTOGRAPHERS GALLERY				$42,582.

RECORDING STUDIO

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Director, recording studio	1	1	1	$32,918.
Chief video engineer	0	1	1	30,804.
Administrative officer	1	1	1	25,066.
Director of photography	1	1	1	24,160.
Chief sound engineer	1	1	1	19,328.
Assistant video engineer	1	1	1	22,952.
Assistant video engineer	1	1	1	22,046.
Laboratory supervisor	1	1	1	19,328.
Cameraman	1	1	1	17,214.
Film and radio recording engineer	1	1	1	15,100.
Color film technician	1	1	1	15,704.
Shipping and stock clerk	1	1	1	10,872.
Traffic manager	1	1	1	12,382.
Production assistant	1	1	1	16,308.
Editor and printer	1	1	1	19,328.
Laboratory technician	1	1	1	12,684.
TOTAL - RECORDING STUDIO				$316,194.

CABINET SHOP

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Chief cabinetmaker	1	1	1	$19,630.
Assistant chief cabinetmaker	1	1	1	18,724.
Cabinetmaker	1	1	1	14,194.
Cabinetmaker	1	1	1	14,194.
Finisher	1	1	1	14,194.
Upholsterer	1	1	1	14,194.
Cabinetmaker	0	0	1	12,986.
TOTAL - CABINET SHOP				$108,116.

TELEPHONE EXCHANGE

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Chief telephone operator	1	1	1	$15,402.
Assistant chief telephone operator	4	4	4	12,684. ea.
Telephone operator	27	27	27	9,966. ea.
TOTAL - TELEPHONE EXCHANGE				$335,220.

JANITORS DEPARTMENT

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Chief janitor	1	1	1	$16,912.
Assistant chief janitor	1	1	1	12,080.
Night foreman	1	1	1	9,966.
Foreman of skilled laborers	1	1	1	11,476.
Skilled laborer	1	1	1	10,570.
Skilled laborer	1	1	1	10,570.
Skilled laborer	1	1	1	9,966.
Skilled laborer	1	1	1	12,080.
Attendant	1	1	1	9,362.
Attendant	1	1	1	9,362.
Laborer	3	3	3	9,966. ea.
Laborer	49	49	49	8,758. ea.
Laborer	4	4	4	8,456. ea.
Laborer	2	2	2	8,154. ea.
Laborer	6	6	6	4,530. ea.
TOTAL - JANITORS DEPARTMENT				$648,696.

SERVICE DEPARTMENT - ADMINISTRATIVE

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Superintendent, service department	1	1	1	$29,898.
Assistant superintendent, service department	1	1	1	19,932.
Night supervisor, service department	1	1	1	14,496.
Assistant night supervisor	1	1	1	12,080.
Secretary to superintendent, service department	1	1	1	13,288.
Truck driver	1	1	1	12,684.
Assistant truck driver	1	1	1	10,570.
Clerk	3	3	3	10,872. ea.
Clerk in service department	1	1	1	10,268.
Messenger	5	5	5	8,758. ea.
Messenger	0	0	3	8,758. ea.
Skilled laborer	1	1	1	9,664.
Laborer, service department	8	17	17	8,758. ea.
TOTAL - SERVICE DEPARTMENT-ADMINISTRATIVE				$384,446.

SERVICE DEPARTMENT - EQUIPMENT SECTION

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Technical clerk	1	1	1	$10,570.
Equipment supervisor	0	0	1	19,328.
Assistant equipment supervisor	0	0	1	15,704.
Secretary-receptionist	0	0	1	11,778.
Secretary	0	0	1	10,570.
Messenger	2	2	2	8,758. ea.
Automatic typewriter repairman	4	6	6	13,892. ea.
Automatic typing technician	1	1	1	16,610.
Repairman	1	1	1	15,100.
Repairman	1	1	1	13,892.
Repairman	3	3	3	12,684. ea.
TOTAL - SERVICE DEPARTMENT-EQUIPMENT SECTION				$252,472.

SERVICE DEPARTMENT - DUPLICATING SECTION

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Composer	0	1	1	$13,892.
Composer technician	0	2	2	11,778. ea.
Senior pressman	0	1	1	13,892.
Printing press operator	0	4	4	13,892. ea.
Supervisor, addressograph section	1	1	1	13,892.
Senior addressograph operator	1	1	1	11,778.
Senior addressograph operator	1	1	1	11,778.
Addressograph operator	8	11	11	10,570. ea.
Assistant foreman, duplicating department	0	1	1	14,798.
Assistant night foreman, duplicating department	0	1	1	10,872.
Cameraman, duplicating department	0	1	1	13,892.
Night foreman	0	1	1	11,174.
Foreman of duplicating department	1	1	1	16,912.
Night foreman, duplicating department	1	1	1	14,798.
Offset press operator	11	11	11	12,986. ea.
Mimeograph operator	4	4	4	9,664. ea.
Photostat operator	1	1	1	11,778.
Photostat operator	1	1	1	11,778.
Photostat helper	1	1	1	9,664.
TOTAL - SERVICE DEPARTMENT-DUPLICATING SECTION				$557,794.

SERVICE DEPARTMENT - FOLDING AND INSERTING SECTION

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Chief machine operator	1	1	1	$14,798.
Assistant chief machine operator	1	1	1	13,288.
Machine operator	1	1	1	9,362.
Inserting machine operator	11	11	11	9,966. ea.
Folding machine operator	0	8	8	10,570. ea.
Mailing equipment repairman	1	1	1	12,684.
TOTAL - SERVICE DEPARTMENT-FOLDING AND INSERTING SECTION				$244,318.

SERVICE DEPARTMENT - MICROFILM CENTER

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Cameraman	0	0	6	$10,872.
Film processor	0	0	1	11,778.
Assistant film processor	0	0	1	11,174.
TOTAL - SERVICE DEPARTMENT-MICROFILM CENTER				$88,184.

SERVICE DEPARTMENT - WAREHOUSE

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Foreman of warehouse, service department	1	1	1	$13,892.
Warehouseman	4	4	4	9,060. ea.
Supervisor, supply section	1	1	1	12,986.
File clerk	1	1	1	10,268.
File clerk	1	1	1	9,664.
TOTAL - SERVICE DEPARTMENT-WAREHOUSE				$83,050.

SENATE POST OFFICE

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Postmaster	1	1	1	$31,710.
Assistant postmaster	1	1	1	25,972.
Chief clerk, post office	1	1	1	14,798.
Superintendent of mails	1	1	1	16,912.
Registry clerk	1	1	1	10,872.
Mail carrier	52	57	57	10,570. ea.
Mail carrier	0	0	6	10,570. ea.
Mail supervisor	0	0	1	11,778.
Mail specialist	0	4	4	11,476. ea.
TOTAL - SENATE POST OFFICE				$823,856.

CAPITOL POLICE

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Inspector, police force	0	1	1	$24,764.
Inspector, police force	0	1	1	24,764.
Captain, police force	2	5	5	21,442. ea.
Lieutenant, police force	7	10	10	18,120. ea.
Lieutenant, police force	0	0	2	18,120. ea.
Special officer, police force	1	1	1	18,120.
Special officer, police force	1	1	1	18,120.
Sergeant, police force	25	40	40	15,100. ea.
Sergeant, police force	0	0	6	15,100. ea.
Detective, police force	0	4	4	13,288. ea.
Technician, police force	12	12	12	12,382. ea.
Plainclothesman, police force	8	8	8	12,382. ea.
K-9 officer, police force	6	6	6	12,382. ea.
Private, police force	369	342	342	11,476. ea.
Private, police force	0	0	47	11,476. ea.
TOTAL - CAPITOL POLICE				$5,944,266.

SENATE PAGES

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Page	30	30	30	$ 9,060. ea.
TOTAL - SENATE PAGES				$271,800.

SECRETARIES OF MAJORITY AND MINORITY

Mr. RIDGELY. The next item is Offices of the Secretaries for the Majority and the Minority, the estimate for fiscal year 1976 is $271,920. I submit for the record a breakdown of the statutory positions authorized for those two offices.

[The breakdown follows:]

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

SUMMARY

STATUTORY POSITIONS

	GROSS SALARY
Office of the Secretary for the Majority	$135,959.
Office of the Secretary for the Minority	135,959.
TOTAL	$271,918.

OFFICE OF THE SECRETARY FOR THE MAJORITY

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Secretary for the majority	1	1	1	$ 38,190.
Assistant secretary for the majority	1	1	1	36,765.
Clerk to the secretary for the majority	1	1	1	16,610.
Chief telephone page for the majority	1	1	1	18,120.
Telephone page for the majority	1	1	1	13,892.
Telephone page for the majority	1	1	1	12,382.
TOTAL - OFFICE OF THE SECRETARY FOR THE MAJORITY				$135,959.

OFFICE OF THE SECRETARY FOR THE MINORITY

STATUTORY POSITIONS

POSITION	Number Posit. 6-30-73	Number Posit. 6-30-74	Current Number Positions	Current Gross Salary
Secretary for the minority	1	1	1	$ 38,190.
Assistant secretary for the minority	1	1	1	36,765.
Clerk to the secretary for the minority	1	1	1	16,610.
Chief telephone page for the minority	1	1	1	18,120.
Telephone page for the minority	1	1	1	13,892.
Telephone page for the minority	1	1	1	12,382.
TOTAL - OFFICE OF THE SECRETARY FOR THE MINORITY				$135,959.

Mr. RIDGELY. The increase of $6,870 is reflected by the absorbed increased pay costs.

Senator HUDDLESTON. In connection with this item, the subcommittee received a letter from the Secretaries of the Majority and Minority regarding the need for an authorization for temporary employment when emergencies arise.

The letter will be inserted at this point in the record.

[The letter follows:]

United States Senate

OFFICE OF THE SECRETARY FOR
THE MAJORITY

February 28, 1975

Honorable Ernest Hollings, Chairman
Subcommittee on Legislative Appropriations
Committee on Appropriations
United States Senate
Washington, D. C.

Dear Mr. Chairman:

In recent years, situations have arisen in the offices of the Secretary for the Majority and Secretary for the Minority that have limited ability to perform adequate services for the membership for brief periods of time.

Under existing law, positions in our respective offices are line itemed. As a result, if an employee becomes ill or is hospitalized for an extended period, there is no provision for filling the position even temporarily.

With the concurrence of the Majority and Minority Leaders, we respectfully request consideration by the Subcommittee for a change in the law to provide a lump sum appropriation, retaining the present not to exceed limits, and providing one additional position for emergencies, such as described above.

At the present time, each office has five positions authorized, excluding the position of the Secretary which is fixed by statute. We are requesting six positions with the stipulation that we do not intend to use the vacancy or the additional money unless an emergency does arise which requires temporary employment to continue the effective operation of our offices and cloakrooms.

We are not suggesting that this is the only way to provide relief when such a situation arises and would be happy and amenable to any other arrangement which would provide the flexibility to hire someone temporarily in emergencies.

We respectfully request consideration of this matter and will be happy to answer any questions that you or other members of the Subcommittee may have.

Sincerely,

J. S. Kimmitt
Secretary for the Majority

William F. Hildenbrand
Secretary for the Minority

AGENCY CONTRIBUTIONS

Mr. RIDGELY. The next item we have is for Agency Contributions and Longevity Compensation. The estimate submitted for fiscal year 1976 is $4,750,000. I submit for the record an analysis of the contributions and longevity compensation as of March 1975 and September 1974.

I will note here that we have been absorbing anywhere from $300,000 to $400,000 a year. In submitting the estimate for 1976 by annualizing the monthly amounts, you will note under No. (1) as of March 1975, we anticipate our total contributions and longevity compensation to be $5,050,000.

Looking at September 1974, we estimated in the area of $4,375,000. The reason for the revision is the increase for agency health insurance contributions on January 1 of this year from 50 to 60 percent and the increase for agency life insurance contributions on March 1 of this year.

Senator HUDDLESTON. Does the contribution made to individual members total this same amount?

Mr. RIDGELY. On retirement, yes. On life insurance, Senators and employees pay two-thirds and the Government pays one-third.

On health insurance, the employee pays 40 percent and the Government contributes 60 percent. The longevity item is 100-percent factor.

This appropriation covers our employees, and Senators are covered under compensation of Senators and the Vice President.

I will supply this information for the record.

[The information follows:]

SALARIES, OFFICERS AND EMPLOYEES

AGENCY CONTRIBUTIONS AND LONGEVITY COMPENSATION

Fiscal Year 1976

Revised Estimate	$4,750,000.00 (1)
Less: Estimate Submitted	4,000,000.00 (2)
Amount of Estimate Revision	$ 750,000.00

(1) Contributions and Longevity - March, 1975 Annualized

Retirement	FEGLI	FEHB	Longevity	TOTAL
$ 267,556.83	$ 21,190.83	$ 84,829.45	$ 47,146.34	$ 420,723.45
x12	x12	x12	x12	x12
$3,210,681.96	$254,289.96	$1,017,953.40	$565,756.08	$5,048,681.40 or $5,050,000.00

(2) Contributions and Longevity - September, 1974 Annualized

Retirement	FEGLI	FEHB	Longevity	TOTAL
$ 248,695.08	$ 15,479.50	$ 58,134.49	$ 42,279.75	$ 364,588.82
x12	x12	x12	x12	x12
$2,984,340.96	$185,754.00	$697,613.88	$507,357.00	$4,375,065.84

	Appropriation Allocation	Estimated Absorption	TOTAL
Retirement	$3,000,000.	$211,000.	$3,211,000.
FEGLI	250,000.	5,000.	255,000.
FEHB	1,000,000.	18,000.	1,018,000.
Longevity	500,000.	66,000.	566,000.
TOTAL	$4,750,000.	$300,000.	$5,050,000.

Estimated Absorption - fiscal year 1976 original estimate = $4,375,065.84 less $4,000,000 = $375,000.

Estimated Absorption - fiscal year 1975 = $4,350,842.28 less $4,000,000 = $351,000.

FEGLI - Annual increase = $1.02 per thousand coverage (4 months absorbed in fiscal year 1975)

FEHB - Annual increase - $136.92 per individual (6 months absorbed in fiscal year 1975)

1976T - Estimate for transition period = $1,200,000

LEGISLATIVE COUNSEL

The next item is for the Office of the Legislative Counsel. The estimate for 1976 is $557,900. The increase of $12,610 is represented by the increased pay costs and the increased agency contributions for life and health insurance.

For the next item, Senate procedure, there was an appropriation for fiscal year 1975 for $5,000. This was a nonrecurring item. So no estimate was submitted for 1976.

CONTINGENT EXPENSES OF THE SENATE

Under Contingent Expenses of the Senate, the first item is for the Senate Policy Committees. The estimate for each committee for fiscal year 1976 is $368,155 for a total of $736,310.

The overall increase of $20,590 is reflected in the increased pay costs and the increased agency contributions for life and health insurance.

This is for salaries and expenses for the Majority and Minority Policy Committees and each committee is authorized the same amount.

Automobiles and Maintenance. The estimate for fiscal year 1976 is $40,000. This is the same amount authorized for fiscal year 1975.

INQUIRIES AND INVESTIGATIONS

Inquiries and Investigations, the estimate for fiscal year 1976 is $17,650,000. The increase of $816,200 is represented by the increased pay costs and increased agency contributions for life and health insurance.

At this point, I submit for the record an analysis, as I mentioned earlier, of all the committees who are funded by Senate resolution in the prior funding year and the amount requested or authorized for this year.

We have two functions that have already been funded for the current period. Funds have been approved for the Committee on Rules and Administration and the Select Committee on Intelligence Activities. These are noted in the rundown of the committees.

Senator HUDDLESTON. Is this a $6 million increase?

Mr. RIDGELY. Yes, sir.

Senator HUDDLESTON. I suspect there will be a supplemental request before the year is over.

Mr. RIDGELY. Mr. Chairman, I might point out to you that last year the request by our committees was in the neighborhood of $17.5 million. The Rules Committee cut them by about 10 percent.

I believe Rules Committee cut about $1,700,000 from the amounts requested. Looking at the amount requested for this year, $23,287,000, if Rules Committee takes similar action, the amount authorized will be somewhat less. However, this analysis is to bring to the attention of your committee that even with the possibility of a reduction by the Committee on Rules and Administration, this will not be a fully-funded appropriation.

Senator HUDDLESTON. That will be received in the record.

[The document follows:]

COMMITTEE	PERIOD	
	March 1, 1974 to February 28, 1975	March 1, 1975 to February 29, 1976
	Amount Authorized	Amount Requested or Authorized
AERONAUTICAL AND SPACE SCIENCES	$ 52,000	$ 57,000
AGRICULTURE AND FORESTRY	220,000	250,000
ARMED SERVICES:		
Consultants for full committee	25,000	40,000
General investigations	346,000	487,000
Preparedness	149,000	118,000
BANKING, HOUSING AND URBAN AFFAIRS:		
General investigations	336,000	415,000
Housing and urban affairs	220,500	240,000
Securities industry	130,000	145,000
Oversight	- - - -	90,000
BUDGET	421,000	1,892,000
COMMERCE	1,643,800	2,347,639
COMMERCE (Study of regulatory agencies)	- - - -	375,000(1)
DISTRICT OF COLUMBIA	175,000	175,000
FINANCE	30,000	990,000
FOREIGN RELATIONS:		
U. S. foreign policy	851,800	885,000
Multinational corporations	- - - -	390,000
Foreign assistance and economic policy	- - - -	247,000

COMMITTEE	PERIOD	
	March 1, 1974 to February 28, 1975	March 1, 1975 to February 29, 1976
	Amount Authorized	Amount Requested or Authorized
GOVERNMENT OPERATIONS:		
Consultants for full committee	$ 20,000	$ 0
General investigations	- - - -	239,200
Permanent investigations	1,113,000	1,113,000
Intergovernmental relations	360,000	388,544
Reorganization, research, and international organizations	344,000	0
Reports, accounting, and management	209,000	258,618
Federal spending practices, efficiency, and open Government	150,000	292,000
Oversight procedures	- - - -	115,000
GOVERNMENT OPERATIONS (Study of regulatory agencies)	- - - -	375,000(1)
INTERIOR AND INSULAR AFFAIRS	580,000	817,000
JUDICIARY:		
Administrative practice and procedure	408,900	429,500
Antitrust and monopoly	767,000	815,100
Constitutional amendments	252,000	310,000
Constitutional rights	299,900	381,800
Criminal laws and procedures	221,000	258,000
Federal charters, etc	16,500	17,500
Immigration, naturalization	205,000	223,500
Improvement in judicial machinery	235,000	272,000
Internal security	400,000	400,000
Juvenile delinquency	353,000	428,000
Patents, trademarks, etc	178,000	168,000
Penitentiaries	88,000	98,000
Refugees and escapees	182,000	220,000
Revision and codification	64,800	70,000
Separation of powers	263,000	280,000
Citizens' interests	162,500	- - - -
FBI oversight	20,000	20,000

COMMITTEE	PERIOD	
	March 1, 1974 to February 28, 1975	March 1, 1975 to February 29, 1976
	Amount Authorized	Amount Requested or Authorized
LABOR AND PUBLIC WELFARE	$ 1,700,000	$ 1,850,000
POST OFFICE AND CIVIL SERVICE	235,000	235,000
PUBLIC WORKS	795,900	875,000
RULES AND ADMINISTRATION:		
Privileges and elections	180,000	180,000(2)
Computer services	194,000	252,600(2)
VETERANS' AFFAIRS	275,000	304,000
SELECT COMMITTEE ON SMALL BUSINESS	168,000	263,000
SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS	353,800	485,000
SPECIAL COMMITTEE ON AGING	431,000	561,000
SPECIAL COMMITTEE ON NATIONAL EMERGENCIES AND DELEGATED EMERGENCY POWERS	166,000	151,000
SELECT COMMITTEE ON INTELLIGENCE	- - - -	750,000(3)
SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES	500,000	0
JOINT ECONOMIC COMMITTEE	100,000	0
SUBTOTALS	$16,591,400	$23,040,001

COMMITTEE	PERIOD	
	March 1, 1974 to February 28, 1975	March 1, 1975 to February 29, 1976
	Amount Authorized	Amount Requested or Authorized
SUBTOTALS (Brought forward).....	$16,591,400	$23,040,001
Funds authorized for expenses of standing committees:(4)		
(1) Under authority of Section 134a of the Legislative Reorganization Act of 1946, as amended.....	95,000	95,000
(2) Under authority of Senate Resolutions.....	205,000	37,500
(3) Pending Senate Resolutions.....	- - - -	115,000
TOTALS.....	$16,891,400	$23,287,501
Increase of current requests over prior authorizations.....		$+6,396,101

(1) Joint Study by Commerce and Government Operations
(2) S. Res. 29, agreed to January 27, 1975
(3) S. Res. 21, agreed to January 27, 1975, for the period January 27, 1975 to December 1, 1975
(4) Based on a calendar year period

FOLDING DOCUMENTS

Mr. RIDGELY. The next item is for Folding Documents. The estimate for fiscal year 1976 is $86,575. This reflects the increased pay costs. The increase over fiscal year 1975 is $1,130.

MISCELLANEOUS ITEMS

Miscellaneous Items. The estimate for 1976 is $12,878,180. This is our so-called housekeeping appropriation. I submit for the record an apportionment schedule which shows the regular appropriation for 1975, the first and second supplemental, the total appropriation for fiscal 1975, the revisions and estimates submitted for fiscal year 1976.

Senator HUDDLESTON. Does it have the actual expenditures for 1974 and 1975?

Mr. RIDGELY. No, sir. We usually run very close on this appropriation.

Senator HUDDLESTON. You do have the allotments of the various categories?

Mr. RIDGELY. This apportionment schedule is nothing more than an attempt to establish an appropriation figure. We do not monitor these individual totals. So what is not used in one area can be used in others. It often precludes the necessity of coming in for a supplemental by having the flexibility in this appropriation.

[The information follows:]

MISCELLANEOUS ITEM. APPORTIONMENT

Item	Fiscal Year 1975	First Supplemental Fiscal Year 1975	2nd Suppl. Fiscal Year 1975	Total Fiscal Year 1975	Estimate Revisions Fiscal Year 1976	Estimate Submitted Fiscal Year 1976
Resolution and Reorganization Reserve	$ 191,383	$	$ 3,100	$ 194,483	$ +1,697	$ 196,180
Senatorial Consolidated Office Allowances	4,819,395			4,819,395	+125,688	4,945,083
Furniture	31,190			31,190		31,190
Miscellaneous Items (Supplies, etc.)	215,500			215,500	+34,500	250,000
Telephone and Telegraph—Local Service	2,951,330			2,951,330		2,951,330
Senate Restaurant—Public Law 87-82	497,000			497,000		497,000
Emergency Reporting—Public Law 89-90	10,000			10,000		10,000
Employees Compensation Fund Reimbursement	9,621			9,621	-8,255	1,366
Mechanical Equipment and Repair	2,782,000		165,000	2,947,000	-325,000	2,622,000
Commission on Art and Antiquities	15,000			15,000		15,000
Federal Election Act, Secretary—Public Law 92-342	169,000			169,000		169,000
GSA Space Reimbursement	1,190,031			1,190,031		1,190,031
Senate Chamber	40,000			40,000	-40,000	-0-
Totals	$12,921,450	$ -0-	$168,100	$13,089,550	$-211,370	$12,878,180

RUG FOR SENATE CHAMBER

Senator HUDDLESTON. Will you furnish for the record the actual costs of the rug for the Senate Chamber?

Mr. RIDGELY. Yes, sir, I will.

[The information follows:]

SENATE CHAMBER

The Legislative Branch Appropriation Act, 1975 provided an amount under the appropriation "Miscellaneous Items" for the installation of new carpeting and padding in the Senate Chamber, Marble room, lobby, and both cloakrooms. The total cost includes extra carpeting for future use to repair and/or replace worn carpeting in high-traffic areas.

There is a 15-year guarantee on the new carpeting.

Amount provided	$40,000
Total cost	38,327.75

ACTUAL EXPENDITURES

Senator HUDDLESTON. What is the approximate percentage of the various appropriations of the Senate that are actually obligated and expended?

Mr. RIDGELY. Nearly 100 percent because many of these offices have statutory positions which are not to exceed rates. If all positions are filled and all are being paid at the maximum rate, then it is 100 percent expenditure. We consider, for instance, when the Office of Management and Budget asks what our outlays are going to be, we give them the same amount as our estimate because we have, as you know, many functions that are obligating these funds.

It is difficult to give any estimate on what the actual outlay will be

Senator HUDDLESTON. Can you provide for the record a listing of the 1974 expenditures for each 1974 Senate appropriation?

Mr. RIDGELY. Yes, sir.

[The listing follows:]

51-060 O - 75 - 40 (Pt. 2)

UNITED STATES SENATE

Fiscal Year 1974

Appropriation Title	Appropriated	Expenditures	Unexpended Balance
Compensation and Mileage of the Vice President and Senators	$ 4,781,505.00	$ 4,760,881.38	$ 20,623.62
Expense Allowances of the Vice President and Majority and Minority Leaders	16,000.00	16,000.00	-0-
Salaries, Officers and Employees Includes: Office of the Vice President Offices of the Majority and Minority Leaders Offices of the Majority and Minority Whips Office of the Chaplain Office of the Secretary Committee Employees Conference Committees Administrative and Clerical Assistants to Senators Office of Sergeant at Arms and Doorkeeper Offices of the Secretaries for the Majority and Minority Agency Contributions and Longevity Compensation	64,330,753.00	60,265,692.56	4,065,060.44
Office of the Legislative Counsel	495,740.00	465,721.60	30,018.40
Senate Policy Committees	665,760.00	508,935.77	156,824.23
Automobiles and Maintenance	36,000.00	26,921.41	9,078.59
Inquiries and Investigations	16,366,071.63(1)	16,256,121.21	109,950.42
Folding Documents	81,110.00	71,151.82	9,958.18
Miscellaneous Items	10,682,395.00	10,510,556.36	171,838.64
Postage Stamps	2,485.00	2,295.87	189.13
Stationery (Revolving Fund)	25,640.00	24,191.30	1,448.70

Appropriation Title	Appropriated	Expenditures	Unexpended Balance
Joint Committee on Reduction of Federal Expenditures.....	$ 115,211.10(2)	$ 87,894.65	$ 27,316.45
Joint Economic Committee.....	825,805.00	744,442.20	81,362.80
Joint Economic Committee - Fiscal Policy.....	199,308.73(3)	199,308.73	-0-
Joint Committee on Atomic Energy.....	499,410.00	467,761.33	31,648.67
Joint Committee on Printing.....	319,700.00	317,590.60	2,109.40
Capitol Guide Service.....	343,765.00	324,947.21	18,817.79
Statements of Appropriations.....	6,500.00	4,250.00	2,250.00
Joint Committee on Inaugural Ceremonies, 1973.....	10,000.00	119.68	9,880.32
TOTALS.....	$99,803,159.46	$95,054,783.68	$4,748,375.78

(1) Including $104,866.63 for retroactive pay for the period October 1 through December 31, 1972 as provided by Public Law 93-305, approved June 8, 1974.

(2) Available until expended. Balance as of June 30, 1973 = $36,091.10. Amount appropriated in the Legislative Branch Appropriations Act, 1974 = $79,120.

(3) The Legislative Branch Appropriations Act, 1974 provided $50,000 plus not to exceed $135,000 of the unobligated balance for fiscal year 1973. The amount transferred from fiscal year 1973 to fiscal year 1974 under this authority = $133,803.73.

POSTAGE STAMPS

Mr. RIDGELY. The next item is for Postage Stamps. The estimate for fiscal year 1976 is $2,485. The breakdown of this is spelled out in the language as it is written.

There is no change for this year.

STATIONERY (REVOLVING FUND)

The next item is Stationery (Revolving Fund). The estimate for fiscal year 1976 is $26,650. The increase of $675 over 1975 is a full year funding for the increase in the stationery allowance for the President of the Senate.

Senator HUDDLESTON. In connection with the Stationery Revolving Fund, the committee has been advised by letter of May 8, 1975, from the Secretary for the Majority, that there is a need to increase the allocation of the Stationery Revolving Fund for the Senate Chamber from $1,800 to $2,400 per year. The letter will be inserted in the record at this point.

[The letter follows:]

United States Senate

OFFICE OF THE SECRETARY FOR
THE MAJORITY

May 8, 1975

Honorable Ernest Hollings, Chairman
Legislative Subcommittee
Committee on Appropriations
United States Senate
Washington, D. C.

Dear Senator Hollings:

For the past eight years, the amount allocated to the Senate Chamber under the "Stationery Revolving Fund" has been $1800 per year. Until now, this has been sufficient, and funds have consistently been returned to the account unused each year.

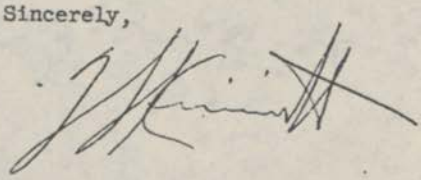
Recently, however, as a result of increased costs at the Stationery Room and greater demands by Members and staff, this allocation has demonstrated to be inadequate. As of this date, this account is depleted and, in fact, potentially overdrawn in the amount of $239.00 with nearly two months remaining in this fiscal year. Efforts are being made, in cooperation with other officers of the Senate, to satisfy the deficit to date.

As a matter of interest, the Senate Chamber account provides administrative supplies for the Chamber, the bipartisan cloakrooms, the Lobby, and the offices of the Secretary for the Majority and the Secretary for the Minority.

It is respectfully requested that the allocation of funds for the Senate Chamber under the "Stationery Revolving Fund" be increased from $1800 to $2400 for fiscal year 1976 and future years.

With best personal wishes, I am

Sincerely,



Mr. RIDGELY. Mr. Chairman, that concludes detailing the regular Senate items. Unless there are some questions regarding these items, I will now proceed to the joint items.

PER DIEM FOR SENATOR'S STAFFS

Senator HUDDLESTON. Before we leave the Senate items, I will note that the subcommittee has received a letter dated May 19, 1975, from Senator Percy, dealing with the payment of per diem expenses to staff in Senator's offices under certain limited circumstances.

I will insert that letter at this point so that it will be before the subcommittee when we markup the bill.

[The letter follows:]

United States Senate

COMMITTEE ON
GOVERNMENT OPERATIONS
WASHINGTON, D.C. 20510

May 19, 1975

The Honorable Ernest F. Hollings, Chairman
Legislative Subcommittee
Senate Appropriations Committee
United States Senate
Washington, D.C. 20510

Dear Fritz:

I am writing to ask that the Appropriations Legislative Subcommittee include language in the Legislative Appropriations Act for FY '76 to allow the payment of per diem expenses to Senate personal staff under certain limited circumstances.

As you know, an amendment to this effect was included in the Senate-passed version of S. 172, the Travel Expense Amendment Act of 1975. It was also included in similar legislation passed by both the House and Senate last year, but subsequently vetoed by the President for unrelated reasons.

Because of a clerical mistake in the Senate-passed version of S. 172, Senators themselves were seemingly made eligible for a per diem allowance on trips to their home states. The mistake was not discovered until S. 172 was reported to the full House, causing some embarassment on the part of the members of the House Government Operations Committee and a reluctance to deal with the matter of Senate personal staffs at that time. Wishing to avoid further delay in increasing the per diem and other travel allowances for covered employees, the Senate did not press the matter to a Conference.

I believe that the inability of Senators to reimburse their personal staff for official travel expenses from Senate funds is inequitable and has led to improprieties and should be remedied as soon as possible. Such expenses are now covered by the staff members or Senator personally. In some instances, Senators have had to raise outside funds for this purpose.

A copy of this proposal, as it was included in S. 172, is attached for your information. You will note that provision was made to preclude any misuse of the per diem expense reimbursement for personal staff. Such reimbursement could not be made within 120 days prior

to any primary or general election in which the Senator in question is a candidate. In addition, in any claim for reimbursement, the Senator would have to vouch personally that the travel for which reimbursement is claimed was solely for the purpose of official Senate business.

Such a provision would not require the expenditure of additional federal funds. I am urging only that Senators be able to utilize funds in their existing transportation allowance to reimburse staff members for food and lodging expenses as well as actual transportation expenses. This would give each Senator the ability to manage his office budget in the manner that best serves the needs of his constituents.

Thank you and the Subcommittee for your consideration of this proposal. If I can be of assistance, please do not hesitate to contact me.

Sincerely,

Charles H. Percy/mcd

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be changed enclosed in black brackets, new matter in italic, existing law in which no change is proposed to be made in roman):

TITLE 2 UNITED STATES CODE

§ 58. Mail, telegraph, telephone, stationery, office supplies, and home State office rental and travel expenses for Senators

(a) Authorization for payments from contingent fund.

(1) * * *

* * * * * * *

(8) reimbursement of actual transportation expenses incurred by the Senator in traveling on official business by the nearest usual route between Washington, District of Columbia, and the State he represents and within such State, and [actual transportation expenses] *travel expenses* incurred by employees in that Senator's office subject to the provisions of subsection (e) of this section.

Reimbursement to a Senator and his employees under this section shall be made only upon presentation of itemized vouchers for expenses incurred.

* * * * * * *

[(c) Transportation expenses.

[Actual transportation expenses incurred by an employee in a Senator's office shall be paid under this section only for such expenses incurred in making round trips on official business by the nearest usual route between Washington, District of Columbia, and the home State of the Senator involved, and in traveling within that State (other than transportation expenses incurred by an employee assigned to a Senator's office within that State (1) while traveling in the general vicinity of such office, (2) pursuant to a change of assignment within such State, or (3) in commuting between home and office). No payment shall be made under this section to or on behalf of a newly appointed employee to travel to his place of employment.]

(e) *Travel expenses.*

In accordance with regulations prescribed by the Committee on Rules and Administration, an employee in a Senator's office shall be reimbursed under this section for per diem and actual transportation expenses incurred, or actual thravel expenses incurred, only for round trips made by the employee on official business by the nearest usual route between Washington, District of Columbia, and the home State of the Senator involved, and in traveling within that State (other than transportation expenses incurred by an employee assigned to a Senator's office within that State (1) while traveling in the general vicinity of such office, (2) pursuant to a change of assignment within such State, or (3) in commuting between home and office). However, an employee shall not be reimbursed

for any per diem expenses or actual travel expenses (other than actual transportation expenses) for any travel occurring during the 120 days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator, in whose office the employee is employed, is a candidate for public office. Reimbursement of per diem and actual travel expenses shall not exceed the rates established in accordance with the seventh paragraph under the heading "Administrative Provisions" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b). No payment shall be made under this section to or on behalf of a newly appointed employee to travel to his place of employment.

* * * * * * *

JOINT ITEMS

Mr. RIDGELY. The budget estimates submitted for all Joint items total $53,374,670. This amount includes $2,503,155 for the Senate-funded Joint items and $50,871,515 for the House-funded Joint items.

As to the Senate Joint items, the estimates for fiscal year 1976 is $83,365 less than the appropriation of $2,586,520 for fiscal year 1975. This reduction is due to the fact that authority for the Subcommittee on Fiscal Policy of the Joint Economic Committee expired on December 31, 1974 and had an appropriation of $135,000 for fiscal year 1975.

This amount was offset by an increase of $51,635 which covers the full-year funding for increased pay costs and increased agency contributions for health and life insurance.

The estimates submitted by the Clerk of the House for the House Joint items is $7,766,821 more than the appropriation of $43,104,694 for fiscal year 1975. This amount largely reflects the increase of $7,344,985 for official mail costs. The remaining amount of $421,836 reflects the full year funding for increased pay costs, increased workload, and increased agency contributions for health and life insurance.

I submit for the record a summary of the Joint items indicating the appropriations for fiscal year 1975; the revisions for fiscal year 1976, and the estimate submitted together with a table itemizing each line item with an explanatory note relating to the revisions.

I submit also for the record a tabulation of the estimates submitted for the 3-month transition period of July 1, 1976 to September 30, 1976.

Senator HUDDLESTON. That will be received in the record.

[The summary and estimates follow:]

SUMMARY

JOINT ITEMS

APPROPRIATION	Funding	Appropriated			Total	Revisions		Estimate
		Fiscal Year 1975 (P.L. 93-371)	Supplemental Appropriation 1975	2nd Supplemental Appropriation 1975	Appropriated Fiscal Year 1975	Increase	Decrease	Fiscal Year 1976
1 Joint Committee on Reduction of Federal Expenditures	Senate	$ 80,400			$ 80,400	$ 5,040		$ 85,440
Contingent Expenses of the Senate:								
2 Joint Economic Committee	Senate	$ 950,000		$ 21,220	$ 971,220	$ 13,395		$ 984,615
3 Joint Economic Committee - Subcommittee on Fiscal Policy	Senate	135,000			135,000		$135,000	None
4 Joint Committee on Atomic Energy	Senate	611,345		12,685	624,030	7,970		632,000
5 Joint Committee on Printing	Senate	349,100	$66,000		415,100	17,550		432,650
6 Total, Contingent Expenses, Senate		$ 2,045,445	$66,000	$ 33,905	$ 2,145,350	$ 38,915	$135,000	$ 2,049,265
Contingent Expenses of the House:								
7 Joint Committee on Internal Revenue Taxation	House	$ 1,106,165		$107,400	$ 1,213,565	$ 110,815		$ 1,324,380
8 Joint Committee on Defense Production	House	154,050		4,820	158,870	1,595		160,465
9 Joint Committee on Congressional Operations	House	600,000		15,420	615,420	219,580		835,000
10 Total, Contingent Expenses, House		$ 1,860,215		$127,640	$ 1,987,855	$ 331,990		$ 2,319,845
Other Joint Items:								
11 Office of the Attending Physician	House	$ 103,600		$171,004	$ 274,604	$ 13,881		$ 288,485
12 Capitol Police - General Expenses	House	513,360			513,360	48,865		562,225
13 Capitol Police - Capitol Police Board	House	1,214,255		186,090	1,400,345			1,400,345
14 Education of Pages	House	142,780		16,735	159,515	27,100		186,615
15 Official Mail Costs	House	38,756,015			38,756,015	7,344,985		46,101,000
16 Capitol Guide Service	Senate	348,760		12,010	360,770	7,680		368,450
17 Statements of Appropriations	Jointly	13,000			13,000			13,000
18 Total, Other Joint Items		$41,091,770		$385,839	$41,477,609	$7,442,511		$48,920,120
19 Total, Joint Items		$45,077,830	$66,000	$547,384	$45,691,214	$7,818,456	$135,000	$53,374,670

	APPROPRIATION	Fiscal Year 1975 Appropriation	Fiscal Year 1976 Estimate Revision	Fiscal Year 1976 Estimate	REVISION ITEMIZATION
1	JOINT ITEMS:				
2	Joint Committee on Reduction of Federal Expenditures (Senate funded).....	$ 80,400	$ +5,040	$ 85,440	Deleted by House of Representatives - Joint Committee abolished effective 2/24/75 per the provisions of the Congressional Budget Act of 1974 (P.L. 93-344).
3	Joint Economic Committee (Senate funded).....	971,220	+13,395	984,615	a) Full year funding for increased pay costs = $7,870 b) Health insurance agency contribution increased effective 1/1/75 = $4,655 c) Life insurance agency contribution increased effective 3/1/75 = $870
4	Joint Economic Committee - Subcommittee on Fiscal Policy (Senate funded).....	135,000	-135,000	None	Authority expired December 31, 1974
5	Joint Committee on Atomic Energy (Senate funded).....	624,030	+7,970	632,000	a) Full year funding for increased pay costs = $4,275 b) Health insurance agency contribution increased effective 1/1/75 = $3,150 c) Life insurance agency contribution increased effective 3/1/75 = $545
6	Joint Committee on Printing (Senate funded).....	415,100	+17,550	432,650	a) Full year funding for increased pay costs = $15,065 (increased pay costs for fiscal year 1975 absorbed in full) b) Health insurance agency contribution increased effective 1/1/75 = $2,055 c) Life insurance agency contribution increased effective 3/1/75 = $430

	APPROPRIATION	Fiscal Year 1975 Appropriation	Fiscal Year 1976 Estimate Revision	Fiscal Year 1976 Estimate	REVISION ITEMIZATION
	JOINT ITEMS (continued):				
7	Joint Committee on Internal Revenue Taxation (House funded).....	$ 1,213,565	$ +110,815	$ 1,324,380	Increased workload and computer costs
8	Joint Committee on Defense Production (House funded)..	158,870	+1,595	160,465	Increased pay costs
9	Joint Committee on Congressional Operations (House funded).....	615,420	+219,580	835,000	Additional workload in carrying out the provisions of H. Res. 988 (Sections 204 and 206) relating to a continuing study of House Committee jurisdictions and the House Commission on Information and Facilities
10	Office of the Attending Physician (House funded)...	274,604	+13,881	288,485	a) Allowances = $43,200 (No change) b) Medical supplies, etc. = $70,000 ($+9,600) c) Navy Department reimbursement for assigned personnel = $175,285 ($+4,281)
11	Capitol Police - General Expenses (House funded)....	513,360	+48,865	562,225	Breakdown of estimate: Office supplies.....$ 16,000 Laundry and drycleaning..... 20,000 Communications..... 163,735 Motor vehicles..... 93,085 Allowance for Secretary of Police Board..... 480 Uniforms and equipment..... 207,825 Miscellaneous and contingencies.... 61,100 $562,225
12	Capitol Police - Capitol Police Board (House funded).....	1,400,345	-0-	1,400,345	No change

	APPROPRIATION	Fiscal Year 1975 Appropriation	Fiscal Year 1976 Estimate Revision	Fiscal Year 1976 Estimate	REVISION ITEMIZATION
	JOINT ITEMS (continued):				
13	Education of Pages (House funded).....	$ 159,515	$ +27,100	$ 186,615	Increased pay costs
14	Official Mail Costs (House funded).....	38,756,015	+7,344,985	46,101,000	Increase of franked mail volume and a postage rate increase
15	Capitol Guide Service (Senate funded).....	360,770	+7,680	368,450	a) Increased pay costs = $4,015 b) Health insurance agency contribution increased effective 1/1/75 = $3,290 c) Life insurance agency contribution increased effective 3/1/75 = $375
16	Statements of Appropriations (Jointly funded).....	13,000	-0-	13,000	No change (50% House and 50% Senate)

ESTIMATES FOR THE THREE (3) MONTH TRANSITION PERIOD FROM JULY 1, 1976 TO SEPTEMBER 30, 1976

JOINT ITEMS

Contingent Expenses of the Senate:

Joint Economic Committee	$ 246,500	
Joint Committee on Atomic Energy	158,000	
Joint Committee on Printing	108,300	$ 512,800

Contingent Expenses of the House:

Joint Committee on Internal Revenue Taxation	$ 331,095	
Joint Committee on Defense Production	40,120	
Joint Committee on Congressional Operations	208,750	579,965

For Other Joint Items:

Office of the Attending Physician	72,125	
Capitol Police: General Expenses	92,305	
Capitol Police Board	350,090	
Education of Pages	46,660	
Official Mail Costs	11,525,000	
Capitol Guide Service	92,200	
Statements of Appropriations	3,250	12,181,630

TOTAL - JOINT ITEMS $13,274,395

JOINT COMMITTEE ON REDUCTION OF FEDERAL EXPENSES

Mr. RIDGELY. The first Joint item to come under consideration is the Joint Committee on Reduction of Federal Expenditures. The Joint Committee was abolished by section 202(e)(i) of the Congressional Budget and Impoundment Control Act of 1974.

The effective date of this section was February 24, 1975 which is the date of the appointment of the first Director of the Congressional Budget Office. It is my understanding that this item has been deleted by the House.

CONGRESSIONAL BUDGET OFFICE

Senator HUDDLESTON. When can we expect to get an estimate on the Congressional Budget Office?

Mr. RIDGELY. Mr. Chairman, when the Director was appointed, I discussed this matter with Dr. Rivlin and members of her staff. They said they did not have time to get estimates ready for the regular bill and that it would be the first supplemental in the fall before they would be prepared to submit estimates.

I might note for the record that they must do this within 12 months because the Congressional Budget and Impoundment Control Act permits them to be funded under the contingent expenses of the Senate for 12 months only, which begins to run from the date the Director was appointed, and would expire next February 23.

JOINT ECONOMIC COMMITTEE

The next item is the Joint Ecomomic Committee. The estimate submitted for fiscal year 1976 is $984,615. The increase of $13,395 is reflected by the same increases as other functions; that is, the increased pay costs and the agency contributions for life and health insurance.

I might note at this point that according to the report of the House they have authorized an increase for this committee.

Senator HUDDLESTON. I notice you list your compensation by number of units. Would it be helpful to have some idea of the number of employees in each one of these? I am sure it fluctuates some.

Mr. RIDGELY. It does. The reason we use this unit is because our salary rates are in multiples of $151. It is a very helpful tool in keeping track of the amount of money involved for salaries and expenses because from year-to-year as additional amounts are authorized, then we get a breakdown of the additional amount from the committee and build it right into the estimates.

The committee does not have any fixed number of positions. They make a submission to the House and give a salary and expense breakdown. I think something did appear in the record on this.

Senator HUDDLESTON. I understand we have the information for each item. So we will proceed.

Mr. RIDGELY. The next item is Joint Economic Committee: Subcommittee on Fiscal Policy. This subcommittee was funded last year for 6 months and was authorized $135,000. Their authority expired on December 31, 1974, and no estimate was submitted for fiscal 1976.

JOINT COMMITTEE ON ATOMIC ENERGY

The Joint Committee on Atomic Energy. The estimate submitted for fiscal year 1976, $632,000, an increase of $7,970 is a reflection of the increased pay costs and agency contributions for life and health insurance.

I understand that that is the amount approved by the House.

JOINT COMMITTEE ON PRINTING

Joint Committee on Printing. The estimate submitted is $432,650 and the increase of $17,550 is also a reflection of the increased agency contributions for life and health insurance, and increased pay costs which the committee absorbed in full during fiscal year 1975.

The House, I will note for the record, has given them an additional amount of $15,000.

The next item are the House-funded Joint items. I will submit for the record a statement I have prepared concerning these items. If there are no objections, I will read the statement and submit correspondence and other data for each item.

JOINT COMMITTEE ON INTERNAL REVENUE

Joint Committee on Internal Revenue Taxation. The budget estimate submitted for fiscal year 1976 for the Joint Committee on Internal Revenue Taxation is $1,324,380, which represents an increase of $110,815 to cover increased workload and computer costs.

I submit copies of letters addressed to Hon. Bob Casey, Chairman, House Committee on Legislative Branch Appropriations Act, from Congressman Al Ullman, dated February 21, 1975, and to Hon. Pat Jennings, Clerk of the House, from Senator Russell Long, dated October 8, 1974, with a table itemizing the estimated requirements of the Joint Committee.

[The documents follow:]

51-060 O - 75 - 41 (Pt. 2)

LETTER FROM CONGRESSMAN AL ULLMAN

Congress of the United States
House of Representatives
Washington, D.C. 20515

February 21, 1975

Honorable Bob Casey
Chairman
Subcommittee on Legislative
Branch Appropriations
House of Representatives
Washington, D. C. 20515

Dear Mr. Casey:

This is in regard to your letter dated February 21, 1975, requesting the customary schedule and explanatory statement in support of the fiscal year 1976 budget request for the Joint Committee on Internal Revenue Taxation. On October 8, 1974, the Joint Committee responded to a request from the Clerk of the House for budget estimates for fiscal year 1976. (I have enclosed a copy of the response to that request for your information.)

At that time the Joint Committee requested the same amount for fiscal year 1976 as had been requested for fiscal year 1975 ($1,106,165) and an additional amount to cover the 5.52-percent administrative pay increase which was effective October 1, 1974. This figure was reached without taking into account our present utilization of the Treasury Univac computer and the econometricians needed to operate the terminal which is located in the Joint Committee offices. (The computer facilities were initially provided through House Information Services.) These computer services have proved to be invaluable in our tax legislative work and are used extensively in connection with the consideration of tax proposals before the tax-writing committees.

When the original appropriation request for fiscal years 1975 and 1976 was submitted, we were not aware of the extremely heavy workload for this session of Congress for the Joint Committee staff. The staff currently is heavily involved in pending tax legislation which includes the tax reduction bill of 1975 and has begun work on the program relating to legislation dealing with the energy crisis. When this work is

completed, it is expected that general tax reform will then be considered. The Joint Committee staff is also involved with the administrative oversight responsibility of the Internal Revenue Service in connection with the oversight subcommittee's of both the House Committee on Ways and Means and the Senate Committee on Finance as well as pursuing a number of studies with the General Accounting Office into certain activities of the Internal Revenue Service as part of the Joint Committee's overall administrative oversight responsibility.

In addition, when the original appropriation request was submitted, it was not known that the membership of the Ways and Means Committee would be increased and that the committee would have subcommittees. This means that not only will there be greater demands made on the Joint Committee staff generally, but also there will be an increased usage of our computer for revenue estimates for various proposals, analyses, and special projects and studies for members of the Ways and Means Committee as well as the Senate Finance Committee.

Since the staff has such a heavy workload ahead, we will need additional staff members. The request for additional funds is to cover the hiring of these additional staff members and the additional expenses that will be incurred as a result of our utilization of the Treasury Univac computer.

In view of these increased expenses, I would like to request $175,000 additional appropriations for fiscal year 1976 to cover the salaries of these additional staff members and computer expenses. In addition, since the staff needs to hire these additional staff members immediately, I would like to request $75,000 as a supplement for the appropriations for fiscal year 1975.

Sincerely yours,



A. Ullman

LETTER FROM SENATOR RUSSELL B. LONG

Congress of the United States
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION
1013 LONGWORTH HOUSE OFFICE BUILDING
Washington, D.C. 20515

October 8, 1974

Honorable W. Pat Jennings
Clerk
House of Representatives
Washington, D. C.

Dear Mr. Jennings:

This is in reply to your letter of September 27, 1974, concerning the budget estimates for the Joint Committee on Internal Revenue Taxation for fiscal year 1976. You also indicated that you wanted projected at this time an estimate for the 3-month transition period between fiscal year 1976 and fiscal year 1977, which begins October 1, 1976, and for the 4 subsequent fiscal years.

The amount provided for the Joint Committee in the Legislative Branch Appropriations Act for fiscal year 1975 (P.L. 93-371) was $1,108,165. The Joint Committee is requesting that same amount for fiscal year 1976 and an additional amount to cover the recent 5.52-percent pay increase which was effective October 1, 1974.

For the 3-month transition period between fiscal years 1976 and 1977, the Joint Committee is requesting one-fourth of the total amount for fiscal year 1976.

At the present time, the Joint Committee does not expect any significant changes in its staffing or other needs for the 4 fiscal years subsequent to the 3-month transition period. In projecting for these 4 years, though, the Joint Committee would like to request an additional $25,000 for each of these years to cover staff salary adjustments and other miscellaneous expenses, such as tax services, etc. It may be, however, that this full $25,000 amount will not be needed in which case a lesser amount will be requested. As is usually the case, the Joint Committee will also need additional funds to cover any future pay increases.

Sincerely yours,

Russell B. Long
Chairman

	1974 actual	1975 estimate	1976 estimate
Appropriation or estimate	$ 937,720	$1,106,165	$1,149,380
Supplement	83,460		
Total	$1,021,180	$1,106,165	$1,149,380
	Total Salary as of June 30, 1974	Total Salary as of Dec. 31, 1974	Total Salary
	No.	No.	No.
Chief of Staff	1. $40,000	1. $40,000	1. $40,000
Deputy Chief of Staff	1. 36,000	1. 36,000	1. 19,008
Assistant Chief of Staff	1. 36,000	1. 36,000	2. 72,000
Chief Economist	1. 36,000	1. 36,000	1. 15,936
Legislation Counsel	1. 36,000	1. 36,000	1. 36,000
Legislation Counsel	----	----	1. 33,700
International Tax Counsel	----	----	1. 35,877
Assistant Legislation Counsel	----	----	1. 35,877
Refund Counsel	1. 35,000	1. 36,000	1. 36,000
Statistical Analyst	1. 36,000	1. 36,000	2. 72,000
Statistical Analyst	1. 34,000	1. 35,877	----
Economist	2. 72,000	2. 72,000	2. 72,000
Economist	1. 25,500	1. 26,908	1. 26,908
Economist	1. 20,800	1. 21,949	1. 21,949
Legislation Attorney	2. 68,000	2. 71,754	----
Legislation Attorney	2. 66,000	----	2. 68,000
Legislation Attorney	1. 32,000	1. 33,767	1. 33,767
Legislation Attorney	1. 31,500	1. 33,239	----
Legislation Attorney	1. 31,000	1. 33,700	----
Legislation Attorney	1. 27,900	1. 29,441	1. 29,441
Legislation Attorney	1. 27,000	1. 30,000	1. 30,000
Legislation Attorney	1. 17,500	1. 18,466	1. 18,466
Legislation Attorney	----	----	1. 34,000
Legislation Attorney	----	----	1. 27,119

	1974 actual	1975 estimate	1976 estimate
Refund Attorney	1. 26,000	1. 27,436	1. 27,436
Refund Attorney	1. 25,700	1. 27,119	1. 25,000
Accountant	1. 28,000	1. 30,500	1. 30,500
Administrative Assistant	1. 23,000	1. 16,500	1. 16,500
Executive Assistant	----	1. 22,265	1. 22,265
Statistical Clerk	1. 25,500	1. 18,060	1. 18,060
Statistical Clerk	1. 15,000	1. 15,828	1. 15,828
Econometrician	1. 13,500	1. 15,000	1. 15,000
Econometrician	----	1. 13,500	1. 13,500
Secretary, Legislation	1. 21,100	----	----
Secretary, Legislation	1. 14,900	----	----
Secretary, Legislation	1. 16,500	1. 17,411	1. 17,411
Secretary, Legislation	1. 15,000	1. 15,828	1. 15,828
Secretary, Legislation	1. 14,600	1. 15,406	1. 15,406
Secretary, Legislation	1. 13,400	1. 14,140	1. 14,140
Secretary, Legislation	1. 13,100	1. 13,824	1. 13,824
Secretary, Legislation	1. 13,000	1. 13,718	1. 13,718
Secretary, Legislation	1. 12,600	1. 13,296	1. 13,296
Secretary, Legislation	2. 24,000	1. 12,900	1. 12,900
Secretary, Legislation	----	1. 12,800	1. 12,800
Secretary, Legislation	1. 11,800	1. 12,700	1. 12,700
Secretary, Legislation	1. 11,600	----	----
Secretary, Legislation	----	----	1. 12,000
Secretary, Refund	1. 15,400	1. 16,251	1. 16,251
Secretary, Refund	1. 10,500	1. 11,080	----
Secretary, Refund	----	----	1. 10,000
Clerk	2. 16,000	1. 8,442	1. 8,442
Clerk	1. 11,000	1. 11,608	1. 11,608
Clerk	----	----	1. 6,919.08
	47	43	49
Total Salaries	$1,099,400	$1,038,713	$1,149,380
Estimated computer usage expenses		45,000	
Miscellaneous & contingent expenses	29,889	20,000	
Amount required for salary adjustments and promotions		34,852	
	47	43	49
	$1,129,289	$1,138,565	$1,149,380

JOINT COMMITTEE ON DEFENSE PRODUCTION

The next item is for the Joint Committee on Defense Production. The estimate submitted for fiscal year 1976 for the Joint Committee on Defense Production is $160,465 which is an increase of $1,595 over the appropriation for fiscal year 1975 to cover increased pay costs.

I submit for the record a copy of a letter dated February 10, 1975, addressed to Hon. Bob Casey, Chairman, House Subcommittee on Legislative Branch Appropriations Act, from Congressman Wright Patman, Chairman, Joint Committee, together with other supporting data.

[The documents follow:]

Congress of the United States
JOINT COMMITTEE ON DEFENSE PRODUCTION
(CREATED PURSUANT TO PUBLIC LAW 774, 81ST CONGRESS)
WASHINGTON, D.C. 20510

February 10, 1975

Honorable Bob Casey, Chairman
Subcommittee on Legislative
Branch Appropriations
House Committee on Appropriations
U. S. House of Representatives
Washington, D. C.

Dear Mr. Chairman:

In response to your February 4 letter, I am submitting herewith information in support of the FY 1976 budget request for the Joint Committee on Defense Production.

Our serious national energy shortage together with diminishing supplies of other strategic and critical materials require a vigorous re-appraisal of the programs established by the Defense Production Act of 1950, as amended, and it is the intention of the Committee to undertake an aggressive schedule of investigation, oversight and program review during the 94th Congress utilizing Committee staff and such General Accounting Office personnel as may be available. In addition, it may be possible to identify areas suitable for investigation by agency personnel, under the close supervision of the Committee.

Major areas of new activity will include a careful review of the implementation of Sections 302 and 303 of the Defense Production Act with a view toward development of procedures that will give the Congress a fuller and more active role in the authorization of loans (under Section 302) and of purchases and purchase commitments (under Section 303) to stimulate and increase the production of critical and strategic materials. A study is also planned of the need for and practicability of a single coordinated system for the stockpiling of all critical materials. The Committee will review the priorities and allocations powers of the Departments of Defense and Commerce as administered under the Defense Materials System (DMS) and the Defense Priorities System (DPS). Emphasis will be placed upon determining the rate of DOD consumption of critical and scarce materials so that priorities can be established in direct relation to consumption patterns. Toward this end, the Committee will work with the Department of Defense to establish a system for monitoring the rate at which DOD uses each of the various scarce-supply resources.

In the area of defense industries, the Committee will expand its traditional oversight activities and will, in cooperation with the General Accounting Office, audit and investigate specific defense contracts while analyzing the effectiveness of DOD contract policies and procedures generally. To facilitate comprehensive and ongoing review of defense contracts, the Committee will also seek to develop a valid productivity measurement system for defense industry.

Of course, the Committee will continue to conduct its oversight of departmental and agency emergency mobilization programs and plans, will prepare its regular report to the Congress, and will respond to all requests from Standing Committees of the House and Senate for assistance in connection with activities touching upon programs authorized by the Defense Production Act of 1950, as amended.

One of the Committee's more important responsibilities is oversight of Title I of the Defense Production Act which permits priority allocation of scarce materials for projects affecting overall defense capability. Title I was recently invoked by the Office of Emergency Preparedness to grant contractors priority in obtaining materials required to expedite construction of the Trans-Alaska Pipeline. The Committee will continue to review progress on the Pipeline to insure that needed materials are available and will also investigate to verify that materials being purchased under the priority system are indeed being used in the construction of the pipeline. The Committee is well aware that similar programs have been abused in the past and will seek to safeguard against utilization of Title I authority as a method of obtaining short-supply items for a black market operation.

In accordance with the Legislative Reorganization Act of 1970, the Congressional Research Service has recommended two major areas of inquiry for the Committee: an analysis of the effect of materials shortages on energy supply and cooperation in the development of a national materials policy. We concur with the Research Service as to the advisability of Committee activities in these areas and plan to take on both subjects substantially as suggested by CRS in Appendix A and Appendix B to this letter.

Attached as Appendix C is a copy of Standard Form 3-A, as submitted to the Clerk of the House, detailing the estimated expenses of the Committee for FY 1976. As may be apparent from the objectives cited above, the Committee will require additional funds and I plan to seek approval of an amendment to the Defense Production Act increasing the maximum funding level of the Committee. If successful, we will be asking for a supplemental appropriation later this year. The total requested herein, however, is the amount authorized by the Act as now written.

Hoping the above comments together with the attached Appendices will be fully responsive to your needs and with kindest regards and best wishes, I am

Sincerely yours,

Wright Patman
Chairman

APPENDIX A

Issue: Materials Shortages, Effect of Energy Supply

In order to achieve our announced goal of increased energy supply in order to satisfy the increased energy demand that is projected for the short-term but more especially for the long-term future, continuous availability of materials needed to drive the machinery is essential.

Unfortunately, we are already experiencing shortages of key materials--for example, steel pipe for oil well exploration and production-and these shortages are expected by many knowledgeable people to constitute a serious constraint on our meeting the projected energy needs.

A fruitful area of inquiry by the Joint Committee on Defense Production might be to examine the elements of such shortages--the kinds and amounts of materials, as well as their substitutability--together with suggested means to alleviate their effects and thus ease the pressure on our national defense situation.

APPENDIX B

Issue: National Materials Policy

Two aspects of materials have emerged as critical: the management of materials information and the use of stockpiled reserves of materials for public purposes. Both aspects are of direct concern to the Commission on Supplies and Shortages established pursuant to Public Law 93-426, approved September 30, 1974. As of the close of the calendar year 1974, the Congress had designated the four Congressional members of the Commission and the President had nominated the four Executive Branch members, but the five public members had not been agreed to. Since the Act requires the Commission to make one report "not later

than March 1" and other reports "until June 30, 1975," an early decision will presumably be sought of the Congress as to extension of time.

The Joint Committee on Defense Production might have a role to play in association with the Commission. Conceivably, the Congressional members of the Commission might desire to have information from the Joint Committee in advance of the formal organization and staffing of the Commission. These members are:

Senator John V. Tunney
Senator William E. Brock
Representative Thomas M. Rees
Representative John W. Stanton

It should also be noted that the first two assessments being undertaken in the field of materials by the Office of Technology Assessment deal with (1) materials information systems, and (2) opportunities for beneficial application of the stockpiling principle.

Options for the Joint Committee might include: (a) development of baseline information on military requirements for materials; (b) collection of information (i.e., hearings) on present military procedures for determining requirements for materials needed for mobilization; (c) examination of the OTA reports from the defense point of view; and (d) development of positions to recommend to the Congress after the Commission on Supplies and Shortages has discharged its initial duties.

JOINT COMMITTEE ON DEFENSE PRODUCTION

APPENDIX C

	1974 actual		1975 estimate		1976 estimate	
Appropriations or estimate		$139,980.00		$154,050.00		$160,465.00
Supplemental		12,125.00				
Total		$152,105.00		$154,050.00		$160,465.00
	Number as of 6/30/74	Total Salary	Number as of 12/31/74	Total Salary	Number as of 1976	Total Salary
Staff Director & Counsel	1	$ 36,000.00	1	$ 36,000.00	1	$ 36,000.00
Assistant Staff Director	1	27,030.00	1	27,030.00	1	28,522.00
Professional Staff	1	24,573.00	1	24,573.00	1	25,930.00
Professional Staff	1	15,716.00	1	15,716.00	1	18,994.00
Professional Staff	1	11,944.00	1	11,944.00	1	16,884.00
Professional Staff	1	18,335.00	1	18,335.00	1	21,104.00
Secretary	1	10,544.00	1	10,544.00	1	11,127.00
	7	$144,142.00	7	$144,142.00	7	$158,561.00
Total Salaries	-	7,963.00	-	9,908.00	-	1,904.00
Miscellaneous and Contingent Expenses	7	$152,105.00	7	$154,050.00	7	$160,465.00
Total						

JOINT COMMITTEE ON CONGRESSIONAL OPERATIONS

Mr. RIDGELY. Joint Committee on Congressional Operations. The budget request for fiscal year 1976 for the Joint Committee on Congressional Operations is in the amount of $835,000. This is an increase of $219,580 over the appropriation for fiscal year 1975, and is related to the functions of the Joint Committee with respect to its continuing study of House Committee Jurisdictions and the House Commission on Information and Facilities.

I submit for the record copies of letters dated February 21, 1975, and March 11, 1975, addressed to Hon. Bob Casey, Chairman, House Subcommittee on Legislative Branch Appropriations, together with supporting data for the amount requested.

[The letters follow:]

Congress of the United States
JOINT COMMITTEE ON CONGRESSIONAL OPERATIONS
WASHINGTON, D.C. 20515

February 21, 1975

The Honorable Bob Casey
Chairman
Subcommittee on Legislative
Branch Appropriations
U.S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

The attached schedule for the fiscal 1976 budget requests for the Joint Committee on Congressional Operations is submitted in accordance with your letter of February 21, 1975. We are requesting a total of $835,000.

This request is for the same amount as appropriated for fiscal 1975, plus the 5.5% increase authorized October 1, 1974. The request also includes the additional amount of $200,000 for the performance of the Joint Committee's functions under Public Law 93-554 (containing provisions of H.Res. 988). These additional functions are cited as (1) review of House committee jurisdictions and continuing study of effectiveness of the Bolling and the Hansen changes, and (2) the support for the House Commission on Information and Facilities.

Sincerely,

Jack Brooks
Chairman

JOINT COMMITTEE ON CONGRESSIONAL OPERATI 3
including Office of Placement and Office Management

	FY 19 74 actual	FY 19 75 estimate	FY 19 76 estimate
Executive Director	$ 36,000	$ 36,000	$ 36,000
Director of Research	35,500	35,500	35,500
Professional Staff Member	33,700	35,560	35,560
Staff Counsel	31,955	33,719	33,719
Counsel	18,000	21,104	23,500
Counsel	22,000	23,214	25,000
Staff Assistant	22,500	23,742	26,000
Administrative Officer	28,812	30,402	32,000
Office Manager	16,000	16,883	20,000
Counsel	12,000	12,000	14,000
Secretary	(5) 41,000	(5) 51,724	(5) 57,500
Training Officer	14,500	16,000	18,000
Administrative Officer	13,000	13,717	15,000
Staff Aide	25,200	18,000	20,000
Staff Aide	15,000	15,000	15,000
Placement Assistants	(6) 54,000	(7) 61,188	(7) 69,000
Office Management Specialist	18,000	-	18,000
Messengers (Part Time)	(2) 3,200	(3) 6,326	(3) 7,000
Director, Office of Placement and Office Management	-	-	36,000
Equipment, Supplies, Travel, Contract, Consulting, Recruiting, Etc.	33,237	50,000	298,221*
	$ 573,290	$ 600,000	$ 835,000
		29	31

*Includes $200,000 to carry out requirements of Sections 204 and 206 of H. Res. 988, 93rd Congress.

Congress of the United States
JOINT COMMITTEE ON CONGRESSIONAL OPERATIONS
WASHINGTON, D.C. 20515

March 11, 1975

The Honorable Bob Casey
Chairman, Legislative Appropriations
Subcommittee
H-301, The Capitol
Washington, D.C. 20515

Dear Mr. Chairman:

In submitting its appropriations request for Fiscal Year 1976 the Joint Committee on Congressional Operations included $200,000 to carry out the provisions of Public Law 93-554, which were Sections 204 and 206 of House Resolution 988 of the 93rd Congress. These sections assign additional responsibilities to the Joint Committee.

Section 206 directs the House Members of the Joint Committee on Congressional Operations to undertake a continuing study of committee jurisdictions and workloads. We are required to make periodic reports of this subject. This is the continuing jurisdiction of the Bolling Committee.

The House Commission on Information and Facilities was established by Section 204. It provides that all House members of the Joint Committee on Congressional Operations serve on the Commission and directs the use of the Joint Committee staff to the maximum extent possible.

The Commission is serious about its business and plans to carry out the duties assigned without requesting an extension. This means we have a lot of work to do in the next twenty-two months. Although a formal agenda has not been agreed to as yet, we are obligated to conduct a study of the Legislative Counsel's capability to fully meet the needs of the Members of the House. This part of the study must be completed by December 31 of this year.

In addition, we are directed to make a thorough and complete study of the information problems of the House. This will include studying the effectiveness of the Congressional Research Service,

the General Accounting Office, and the Office of Technology Assessment. We are also directed to look into information management, collection, and dissemination, outside resources for information and methods of exchanging information with the Executive.

The Commission is further mandated to conduct a study of the facilities and space requirements of the Members and committees of the House, including space utilization, parking, and the organization, responsibility, and supervision to provide adequate, efficient, and economical space utilization.

In conclusion, Mr. Chairman, I think that the request as submitted will permit us to move ahead and do the job expected of us in the time allotted. For your information, I am attaching photocopies of the pertinent sections of House Resolution 988.

Meanwhile, with every good wish to you, I am

Sincerely

THE HOUSE COMMISSION ON INFORMATION AND FACILITIES

SEC. 204. (a) There shall be in the House of Representatives a Commission on Information and Facilities (hereinafter in this section referred to as the "Commission"), which shall be composed of nine Members of the House appointed by the Speaker, including the House Members of the Joint Committee on Congressional Operations, no more than five being members of the same political party.

(b) To assist the Commission in carrying out its functions, the Speaker shall establish an Advisory Council composed of six members as follows:

(1) Two members who are representatives of public affairs institutions or groups,

(2) Two members who have demonstrated ability in space utilization, and

(3) Two members of the general public.

The members of such Advisory Council shall receive compensation at the daily rate provided by law for persons in

grade GS–18, for each day actually engaged in the performance of the Commission's functions; and shall be entitled to receive actual and necessary travel expenses, including per diem in lieu of subsistence.

(b) It shall be the function of the Commission to conduct a thorough and complete study of—

(1) the information problems of the House of Representatives against the background of the existing institutions and services available to the House, and to make such recommendations with respect thereto as may be appropriate, and

(2) with respect to the facilities and space requirements of the Members and committees of the House, including space utilization, parking, and the organization, responsibility, and supervision to provide adequate, efficient, and economical space utilization, and

(3) the staff required to provide the House legislative counsel with the capability to fully meet the needs of the Members of the House.

(c) The study conducted by the Commission pursuant to subsection (b) (1) shall include (but need not be limited to)—

(1) House resources for information, including the Congressional Research Service, the General Accounting Office, and the Office of Technology Assessment, and the organizational framework that makes them effective or ineffective;

(2) information management, collection, and dissemination for the House;

(3) resources outside the Congress for information and their utilization;

(4) methods for setting up and organizing the flow of information from and to the Executive;

(5) experimental or pilot approaches to information problems, such as the creation of mechanisms for outside groups, or for pooling of resources; and

(6) the creation of a congressional staff journal or other process for communication.

(d) The Commission shall make an annual progress report to the Speaker, and shall make such additional reports as may appear appropriate or as may be directed by the Speaker, incorporating interim and final recommendations and drafts of legislation to carry out such recommendations. The final report of the Commission shall be submitted no later than January 2, 1977. The study conducted pursuant to paragraph (b) (3) shall be completed no later than January 1, 1976.

(e) In carrying out its functions, the Commission may meet at such times and places as it deems necessary. A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(f) Members and staff of the Commission shall be entitled to receive actual and necessary travel expenses, including per diem in lieu of subsistence.

(g) The Commission shall utilize the staff of the Joint Committee on Congressional Operations to the maximum extent possible and shall appoint and provide for the com-

pensation of such other staff as may be necessary for the performance of its functions.

(h) The contingent fund of the House is made available to carry out the purposes of this section.

OFFICE OF THE LAW REVISION COUNSEL

SEC. 205. (a) There is established in the House of Representatives an office to be known as the Office of the Law Revision Counsel, referred to hereinafter in this section as the "Office".

(b) The principal purpose of the Office shall be to develop and keep current an official and positive codification of the laws of the United States. The Office shall maintain impartiality as to issues of legislative policy to be determined by the House.

(c) The functions of the Office shall be as follows:

(1) To prepare, and submit to the Committee on the Judiciary one title at a time, a complete compilation, restatement, and revision of the general and permanent laws of the United States which conforms to the understood policy, intent, and purpose of the Congress in

REVIEW OF COMMITTEE JURISDICTION

SEC. 206. The House members of the Joint Committee on Congressional Operations shall undertake and conduct a continuing study of the jurisdiction of the various standing committees of the House under Rule X of the Rules of the House and the relative workloads sustained by such committees as a result thereof, and periodically shall prepare for submission to and consideration by the Committee on Rules (and for possible submission by that committee to the full House) a report including any recommended changes in the Rules of the House which may be necessary or appropriate to effect a more equitable distribution of workload or a more rational combination of jurisdictional responsibilities. It is the sense of the House of Representatives that the House members of the Joint Committee on Congressional Operations should work with the Senate members of such joint committee in an effort to rationalize the committee jurisdiction between the Houses.

Mr. RIDGELY. Included with this information for the Joint Committee on Congressional Operations are excerpts from House Resolution 988 agreed to last year. This part of the resolution is related to the Joint Committee's jurisdiction.

OFFICE OF THE ATTENDING PHYSICIAN

Office of the Attending Physician. The budget estimate submitted for fiscal year 1976 in the amount of $288,485 is $13,881 more than the appropriations for fiscal year 1975. The following is a comparison of the breakdown by fiscal years as submitted by the Attending Physician.

[The information follows:]

	Fiscal year 1976	Fiscal year 1975	Increase
1. Allowances	$43,200	$43,200	$0
2. Medical supplies, equipment and contingent expenses	70,000	60,400	9,600
3. Navy Department reimbursement	175,285	171,004	4,281
Total	288,485	274,604	13,881

Mr. RIDGELY. The House included an item in the Second Supplemental Appropriation bill for fiscal year 1975 in the amount of $171,004 for reimbursement to the Department of the Navy, for expenses incurred for staff and equipment assigned to the Office of the Attending Physician.

I submit for the record an excerpt from House Report No. 94–141, regarding this item, together with correspondence dated March 21, 1975, and March 24, 1975, between Hon. W. Pat Jennings, Clerk, House of Representatives, and the Attending Physician, Dr. Cary, and a letter dated March 17, 1975, with supporting data from the Department of the Navy to the Attending Physician.

[The documents follow:]

Excerpt from House Report No. 94-141 to accompany H. R. 5899 (Second Supplemental Appropriation Bill, 1975)

JOINT ITEMS

Office of the Attending Physician. - The Committee recommends the appropriation of $171,004 to reimburse the Department of the Navy for the fiscal year 1975 cost of active duty military personnel and the civilian chauffeur assigned to the Office of the Attending Physician in the United States Capitol. The Navy has traditionally assigned medical personnel to the Capitol since 1928 on a nonreimbursable basis. Undoubtedly, at that time few military personnel were assigned to work in other Federal agencies. As of March 31, 1974, 1,951 members of the military services were working in other Federal agencies, and over 70 percent of these positions were on a nonreimbursable basis. The Committee expressed its concern over this practice, both during the hearings and in the report on the 1975 Defense Appropriation bill indicating its desire that the users of military personnel be billed in a timely and uniform manner and that all collections be applied to the military personnel appropriations to offset military personnel costs for the year in which the work was performed and not to general treasury receipts. In response to that directive the Department of the Navy has requested reimbursement in the amount recommended. Language has been included in the bill providing that such amount shall be advanced and credited to the applicable appropriations of the Department of the Navy.

October 3, 1974

Honorable W. Pat Jennings
Clerk, U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Jennings:

In reply to your letter of September 27, 1974, requesting budget estimates from the Attending Physician's Office for Fiscal Year 1976, the following is submitted:

Allowances	$ 43,200.00
Medical Supplies, Equipment & Contingent Expenses	70,000.00
Total	$113,200.00

This amount represents $9,600.00 increase over Fiscal Year 1974, due to increased workload. No significant program changes are contemplated for the next four years.

If I can furnish any further information, please let me know.

Sincerely yours,

FREEMAN H. CARY, M.D.

Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

March 24, 1975

Freeman H. Cary, M.D.
The Attending Physician
Congress of the United States

Dear Dr. Cary:

This will acknowledge receipt of your letter concerning the plans for Congress to reimburse the Department of the Navy for the personnel assigned to the Office of the Attending Physician. Such reimbursement would also include expenses for related services.

I shall transmit to the Office of Management and Budget supplemental appropriations requests to cover these amounts required for both 1975 and 1976. It is my understanding that the Subcommittee on Legislative Branch Appropriations will consider including the requested amounts in the pending supplemental appropriations bill and subsequently the regular bill for Fiscal Year 1976.

With kind regards, I am

Sincerely,

W. PAT JENNINGS, Clerk
U. S. House of Representatives

THE ATTENDING PHYSICIAN
CONGRESS OF THE UNITED STATES

March 21, 1975

The Honorable W. Pat Jennings
Clerk, U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Jennings:

Recently the Navy Department and the Congress agreed that reimbursements for the active duty personnel, the civilian chauffeur, and the vehicles provided by the Navy and assigned to my office, were appropriate.

Accordingly, I am enclosing a letter request for reimbursement from the Navy Department's Office of the Comptroller and the budget estimates for reimbursement for Fiscal Years 1975 and 1976.

I appreciate you taking the necessary action to ensure that these estimates get into the appropriate budgets.

With best wishes.

Yours sincerely,

FREEMAN H. CARY, M.D.

DEPARTMENT OF THE NAVY
OFFICE OF THE COMPTROLLER
WASHINGTON D.C. 20360

17 MAR 1975

Dear Doctor Cary,

During the review process of the Military Personnel, Navy appropriation for Fiscal Year 1975, the House Appropriations Committee expressed concern about the assignment to and use of military personnel by other agencies without charge. As stated in page 25 of the Report from the Committee on Appropriations on the Department of Defense Appropriation Bill, 1975, "the Committee believes that the military services are not receiving full reimbursement for military personnel, neither in terms of prices charged for the direct assignment of military personnel to other organizations or through the performance of work for these organizations."

More recently, Assistant Secretary of the Navy McCullen has discussed the issue with Senator Hollings and Congressman Casey, both of whom concurred that reimbursements for the active duty personnel and the civilian chauffer provided by the Navy were appropriate.

Navy data indicate that, in addition to the civilian chauffer, there are at the present time, seven (7) Naval personnel on a full-time basis in the office of the Attending Physician. The cost of the pay and allowances for these personnel, chargeable to the appropriation "Military Personnel, Navy" is estimated to be $150,188.00 for fiscal year 1975, and $150,220.00 for fiscal year 1976. The pay and related costs of the civilian chauffer, currently being paid from "Operations and Maintenance, Navy" is estimated to be $20,816.00 for fiscal year 1975 and $25,065.00 for fiscal year 1976.

In order to comply with the directions of the Congress, please consider this letter to be a request for reimbursement in the amounts indicated above. It is further requested that you interface on behalf of the Navy Department with the appropriate office(s) of the Congress to obtain payment and have one of your staff members keep the Office of the Director of Budget and Reports (NCB-12, phone OX5-5599) informed of progress in this matter.

Your earliest attention to this matter will be appreciated.

A copy of this letter is being forwarded to the Chairman of the House Appropriations Committee.

Sincerely,

STANLEY S. FINE
REAR ADMIRAL, USN
DIRECTOR OF BUDGET AND REPORTS

MILITARY PERSONNEL ASSIGNED TO ATTENDING PHYSICIAN'S OFFICE

		FY 1975	FY 1976
1	Rear Admiral (08)	$ 42,289	$ 42,450
1	Captain (06)	32,839	33,089
1	Lieutenant (03)	19,860	20,087
1	Chief Petty Officer (E-9)	17,916	17,750
1	Chief Petty Officer (E-7)	13,708	13,560
2	Petty Officer First (E-6)	23,576	23,284
7	TOTAL	$150,188	$150,220

Costs based on Composite Standard Military Rates used for recovering costs from private parties and other Governmental Agencies.

CIVILIAN PERSONNEL AND TRANSPORTATION COST INFORMATION

	FY 1975	FY 1976
CIVILIAN SALARIES AND RELATED EXPENSES	$ 19,162	$ 23,200
TRANSPORTATION COSTS		
Sedan	750	840
Station Wagon	904	1,025
Ambulance	*	*
	$ 20,816	$ 25,065

* Figures presently unavailable on the ambulance. However, since the ambulance is actually driven minimum miles each year, cost figures should be less than those of the sedan.

CAPITOL POLICE

Mr. RIDGELY. The next item is for the Capitol Police: General Expenses. The budget estimate for fiscal year 1976 is $562,225, which is $30,135 less than the appropriation for fiscal year 1975.

However, the House report on this bill states that there is a voluntary reduction of $22,000 and therefore the House Committee has recommended $540,225 for this item.

I submit for the record a summary of the estimated expenses as presented to the House Appropriation Committee during their hearings.

[The document follows:]

CAPITOL POLICE

GENERAL EXPENSES

Fiscal Year 1976

Office supplies	$16,000
Laundry and drycleaning	20,000
Communications	163,735
Motor vehicles	93,085
Allowance for Secretary of Police Board	480
Uniforms and equipment	207,825
Miscellaneous and contingencies	61,100
Total	562,225

CAPITOL POLICE BOARD

Mr. RIDGELY. The next item is for the Capitol Police: Capitol Police Board. The budget estimate for fiscal year 1976 is $1,400,345, which is the same amount provided for this purpose for fiscal year 1975. This item covers the cost of the Metropolitan Police detailed to the Capitol Police Force.

I submit for the record a listing of the detailed personnel as it appeared in the printed hearings of the House.

[The document follows:]

METROPOLITAN POLICE DETAILED TO CAPITOL POLICE FORCE

Awkward, George C., sergeant	$17,630.00
Beamon, Edward, detective/sergeant	18,960.00
Bell, Lester, detective II	17,160.00
Bostek, Edward, officer	17,285.00
Bradley, Bennie J., detective/sergeant	20,538.00
Brannon, Eugene, captain	24,578.00
Burge, Joseph F., lieutenant	20,035.00
Cahill, Martin J., detective/sergeant	22,114.00
Clark, Robert F., sergeant	20,486.00
Clark, William, officer	15,545.00
Cosh, James E., detective II	18,900.00
Costello, James F., detective/sergeant	22,111.00
Cottrill, Glenn E., officer	16,280.00
Cranford, Charles E., detective II	16,580.00
Cross, William H., detective/sergeant	21,326.00
Dankos, William W., detective II	18,320.00
Dunn, William J., detective/sergeant	21,326.00
Dusseau, Edgar J., desk/sergeant	16,280.00
Eilert, Claude L., lieutenant	25,795.00
Ekeland, William C., detective II	19,480.00
Evans, William R., sergeant	17,330.00
Fratantuono, Gerald, officer	15,545.00
Garner, Yancey H., deputy chief	33,753.00
Gooden, Jerome V., officer	15,545.00
Halcisak, William T., officer	15,845.00
Hardy, Roosevelt, officer	14,965.00
Harford, Milton H., detective/sergeant	19,748.00
Harrell, Charles L., sergeant	19,996.00
Heller, Lewis, officer	16,860.00
Lester, Richard L. III, detective II	13,410.00
Liskey, Garland C., sergeant	18,908.00
Long, Joyce H., detective II	18,320.00
Malone, Timothy H., sergeant	17,630.00
Marafino, Daniel B., detective II	17,160.00
McGrath, William J., detective/sergeant	23,687.00
O'Brien, John J., captain	26,434.00
Orfield, Gary L., officer	15,545.00
Peletski, Carl T., officer	16,860.00
Petrakis, Ftemi, sergeant	19,694.00
Powell, Jack L., lieutenant	21,855.00
Powell, James M., assistant chief	36,000.00
Reed, Kenneth W., officer	16,280.00
Spicknall, Robert B., detective/sergeant	22,111.00
Toner, Paul B., officer	14,965.00
Willis, Timothy R., officer	16,125.00
Xander, Herman W., deputy chief	36,000.00
Subtotal	911,300.00
Four vacancies	68,640.00
Overtime-holiday-clothing allowance	97,246.00
30 percent surcharge	323,156.00
Total reimbursement	1,400,342.00

EDUCATION OF PAGES

Mr. RIDGELY. Education of Pages. The budget estimate for fiscal year 1976 is $186,615. This is $27,100 more than the amount provided for fiscal year 1975 and reflects primarily the increased pay costs for D.C. teachers.

I submit for the record an itemization of the estimated expenses as excerpted from the printed hearing of the House, as submitted by the Budget Director for the public schools of the District of Columbia.

[The document follows:]

EDUCATION OF PAGES

ITEMIZED ESTIMATE FOR 1976

Estimated amount requested for the education of congressional pages and pages of the Supreme Court for the 1975–76 school year

Compensation and benefits	$179,262
Travel and transportation	500
Textbooks	1,500
Library books	800
Equipment	1,200
Subscriptions, periodicals	400
Education supplies	1,500
Direct purchases	300
Rental fees	400
Printing and reproductions	200
Fees, professional services	550
Total	186,612

CAPITOL GUIDE SERVICE

Mr. RIDGELY. Capitol Guide Service. The estimate for fiscal year 1976 is $368,450. It is an increase of $7,680, and is reflected by the increased pay costs and the agency contributions for life and health insurance.

I submit for the record an analysis of the authorized positions under this appropriation.

[The document follows:]

CAPITOL GUIDE SERVICE

Authorized positions:	
1 Chief guide	$15,100
1 Assistant chief guide	14,798
12 Guides at $14,496	173,952
10 Guides at $10,570	105,700
Total—24 positions	309,550
4 Temporary guides at $10,570 (6 months per year)	21,140
Total compensation	330,690.

OFFICIAL MAIL COSTS

Mr. RIDGELY. Official Mail Costs. The budget estimate submitted for Official Mail Costs in the amount of $46,101,000 is $7,344,985 over the appropriation of $38,756,015 for fiscal year 1975.

I submit for the record two letters dated October 10, 1974 and March 4, 1975, addressed to Hon. W. Pat Jennings, Clerk, U.S. House

51-060 O - 75 - 43 (Pt. 2)

of Representatives, from the U.S. Postal Service relating to this appropriation.

I note in the letter dated October 10, 1974, that the basis of the estimate by the Postal Service is at the rate of $0.143 per piece on an estimated volume of 322,386,000 pieces.

Information furnished me by the Clerk of the House sets forth the official mail costs for prior fiscal years as follows: Fiscal year 1973: $34,425,830 covering 310,556,937 pieces of mail. Fiscal year 1974: $31,302,243 covering 320,975,538 pieces of mail. Fiscal year 1975: 6 month figure is $18,443,208 covering 168,752,458 pieces of mail.

The testimony of the Clerk of the House indicates that the Congress is being treated in the same manner by the Postal Service as all other departments and agencies of the Government with respect to its billing, based on the "equivalent" postage concept.

Senator HUDDLESTON. I note that a letter of March 4, 1975, from Mr. Hall of the Postal Service, to the Clerk of the House indicates that the estimate use for franked mail for fiscal year 1976 anticipated an increase in the first class letter rate from 10 to 13 cents, a 30 percent increase.

Apparently this estimate from the Postal Service is based on the much-talked-about increase in the first class letter rate.

Am I correct that it is our usual practice not to budget for such anticipated increases?

Mr. RIDGELY. That is my understanding. We do not do it. For instance, we know that there will be, in all probability, a pay increase October 1, but no budget estimates are submitted for this until it actually becomes a fact.

Senator HUDDLESTON. Will you obtain from the Clerk of the House a revised estimate to be inserted in the record at this point on what the official mail costs would amount to on the basis of the current postal rates?

Mr. RIDGELY. Yes, sir. I will obtain it from them if they have it. It may be that I will have to go to the Postal Service and ask for it. If you have no objection to my proceeding that way, I will obtain the information for the committee.

[The information follows:]

OFFICIAL MAIL COSTS

The Finance Department of the United States Postal Service advised that the current average rate per piece for franked mail is $.11.

Therefore, the estimated cost for official mail cost for fiscal year 1976 based on the average rate of $.11 multiplied by the estimated volume of 322,386,000 pieces of mail = $35,462,460.

Letters already submitted for inclusion in the record reveal that the Postal Service stated that the information submitted was developed for budget planning purposes based on projections of an anticipated continued growth in franked mail service and an increase in the first class mail rate to offset the current inflationary cycle.

The Office of Management and Budget does not permit departments and agencies to include anticipated increased postage costs in the estimates.

Information furnished by the Clerk of the House of Representatives reveal that the following payments have been made to the Postal Service from the appropriation for the current fiscal year:

Fiscal Year 1974:

Balance due for the 2nd quarter (10/1 to 12/31).....	$ 880,159.28
3rd quarter (1/1 to 3/31).....	8,521,495.00
4th quarter (4/1 to 6/30).....	10,912,492.00

Fiscal Year 1975:

1st quarter (7/1 to 9/30).....	$14,862,677.00
Partial payment for 2nd quarter (10/1 to 12/31).....	3,580,530.60
TOTAL.....	$38,757,353.88

During the hearings held by the House Subcommittee on Appropriations on the Legislative Branch Appropriations bill for fiscal year 1976, the Clerk of the House testified that the fiscal year 1975 funds are exhausted and that the amounts due for the balance of the 2nd quarter and the full amount for the 3rd and 4th quarters of fiscal year 1975 would be paid from the amount appropriated for fiscal year 1976 inasmuch as the funds are "immediately available."

It appears that the cost for the remainder of fiscal year 1975 will be approximately $19,000,000. This is based on (1) the balance due for the 2nd quarter in the amount of $478,170.00; (2) Postal Service estimate of approximately $7,600,000.00 for the 3rd quarter, and (3) based on the amount paid for the same period in the prior year, $10,900,000.00 for the 4th quarter.

Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

March 18, 1975

Mr. William A. Ridgely
Financial Clerk
United States Senate
Washington, D. C. 20510

Dear Mr. Ridgely:

This refers to your contact with the House Finance Office regarding the payments for franked mail costs of the Congress.

Enclosed are several documents for your file, including a copy of my testimony to the House Committee on Appropriations and a letter from the U. S. Postal Service wherein they provide an estimate of franked mail costs for Fiscal Year 1976, the transition period, and several fiscal years in the future. Also, I enclose information relating to billings and payments that will complete your file from the time of my letter of April 30, 1974. If there are other details that I can provide in connection with the forthcoming hearings in the Senate, please contact Mr. W. Raymond Colley, Deputy Clerk, extension 57000.

With kind regards, I am

Sincerely,

W. PAT JENNINGS, Clerk
U. S. House of Representatives

FINANCE GROUP
Washington, DC 20260

March 4, 1975

Honorable W. Pat Jennings
Clerk, U. S. House of Representatives
Washington, DC 20515

Dear Mr. Jennings:

As requested by Mr. W. Raymond Colley of your staff, the following information is furnished concerning mailings by the Congress:

	Pieces	Amount
1973	310,556,937	$34,425,830
1974	320,975,538	31,302,243
1975 (2 quarters)	168,752,458	18,921,377

The percent of rate increase which was effective March 2, 1974, and applicable to Congressional mailings is broken down by service as follows:

Class of Service	% of Increase
Letters	25.0
Cards	33.3
1st Class	25.6
Airmail	18.2
Priority	13.7
4th Class	
Parcel Post	6.3
Special Book Rate	16.7

With respect to priority and parcel post mail the amount shown is the estimated aggregate increase. Individual pieces will vary by weights and zones.

The estimate that was used for franked mail for FY 1976 anticipated an increase in the first class letter rate from 10¢ to 13¢, a 30% increase. Inasmuch as most franked mail is first class letter mail a 30% factor was used for the total estimate. This action anticipated a comparable 30% increase in the other classes of mail involved.

Please bear in mind that the estimate for FY 1976 is preliminary. The Postal Service has not yet formulated specific rate proposals nor have we a specific date when further increases will take effect. The estimate we offered was merely for budget planning purposes.

Sincerely,

Ivan N. Hall

Ivan N. Hall, Manager
Government Revenue & Examination Branch
Accounting Division
Finance Department

FINANCE GROUP
Washington, DC 20260

October 10, 1974

Honorable W. Pat Jennings
Clerk, U. S. House of Representatives
Washington, DC 20515

Dear Mr. Jennings:

This refers to your letter of September 27, 1974 requesting an estimate of anticipated franked mail costs for Fiscal Year 1976, the three-month transition period and the four ensuing fiscal years.

Our estimate of these data is as follows:

ESTIMATED FRANKED MAIL VOLUME & REVENUE
(In Thousands)

	VOLUME Pieces	AV. REVENUE Per Piece	REVENUE
1976(7/1/75-6/30/76) (12 month period)	322,386	.143000	$46,101
1976(7/1-10/1/76) (3 mo. transition)	80,596	.143000	11,525
Total	402,982		$57,626
1977	344,200	.143000	49,221
1978	357,830	.143000	51,170
1979	369,960	.143000	52,904
1980	381,240	.143000	54,517

The foregoing projections anticipate a continued growth in franked mail services and that a rate increase will be required to offset the current inflationary cycle. Should your judgement be different with respect to these two trends, then the figures should be adjusted accordingly.

Sincerely,

Richard F. Gould
Assistant Postmaster General
Finance Department

STATEMENTS OF APPROPRIATIONS

Mr. RIDGELY. The last item is Statements of Appropriations. The amount of $13,000 for Statements of Appropriations in the bill is the same amount appropriated for the prior fiscal year. The House submits the budget estimate. Of this amount, half is for the House and half is for the Senate.

Mr. Chairman, that completes everything I have on the bill.

AMERICAN INDIAN POLICY REVIEW COMMISSION

Senator HUDDLESTON. The subcommittee has received a letter dated May 14, 1975, from Senator Abourezk and Representative Meeds on behalf of the American Indian Policy Review Commission.

This Commission was authorized by Public Law 93–580 to undertake a sweeping 2-year review of the Federal Indian Relationship and of Government programs and policies affecting American Indian people.

The budget included with the letter provides for the full expenditure of the $2½ million authorized for the Commission as follows: $75,385 during the remaining months of fiscal year 1975 from the Senate Contingent Fund; $2,134,490 during fiscal 1976 and the transition quarter, the appropriation requested from this subcommittee; and it is anticipated that $290,125 will be required for the activities of the Commission in fiscal 1977.

The letter and the attachments will be inserted in the record at this point.

[The letter and attachments follow:]

CONGRESS OF THE UNITED STATES
AMERICAN INDIAN POLICY REVIEW COMMISSION
(PURSUANT TO S.J. RES. 133, 93RD CONGRESS)
WASHINGTON, D.C. 20510

May 14, 1975

Honorable Ernest F. Hollings, Chairman
Senate Committee on Appropriations
Suite 1235 Dirksen Senate Office Building
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

We are enclosing our budget request for the American Indian Policy Review Commission as authorized by P.L. 93-580, approved January 2, 1975.

Sec. 7 of the Act authorizes the Commission to have salaries and expenses paid from the Contingent Fund of the Senate until an appropriation for the Commission has been provided. Therefore, this request is for an appropriation to the Senate for the period F.Y. 1976 and 197T.

The Act provides for 6 Congressional members to serve on the Commission; the appointments have been made, and the Chairman and Vice Chairman as reflected herein were properly elected. The Commission requests that this appropriation be included in the legislative Branch Appropriation Bill as a joint item under the Contingent expenses of the Senate.

Sincerely,

James Abourezk, Chairman

Lloyd Meeds, Vice Chairman

AMERICAN INDIAN POLICY REVIEW COMMISSION - BUDGET

	FY 1975 Cont. Fund of Senate	FY 1976 & 197T	FY 1977 101.176 to 6/30/77
Salary and Compensation			
Indian Commissioners	4120	32000	10300
Regular Staff	30765	162750	97700
Investigating Task Forces	-	375000	-
Support - Task Forces	-	237000	-
Total Compensation	34885	806750	108000
Task Force Consultants	12000	672500	10000
Administrative			
Agency Contributions	3000	15500	9300
Travel	3000	365740	34870
Hearings	-	60000	
Office Supplies	7500	12000	4000
Communications	5000	55000	18000
Newspaper, Magazines, Documents	-	5000	1000
Printing & Reproduction	10000	142000	104955
Total Administrative	28500	655240	172125
TOTAL BUDGET	75385	2134490	290125

1975	75385
1976-197T	2134490
1977	290125
TOTAL AUTHORIZED	2500000

AMERICAN INDIAN POLICY REVIEW COMMISSION

GENERAL OPERATING PLAN

BUDGET FOR FY 1976

Introduction

In order to address the budget properly, it has become necessary to take certain actions which the legislation emphasizes for budget and operational planning.

In addition, the reviews, studies, and investigations of the AIPRC should be guided by the relative successes and failures of previous Federal Indian policy reviews, notably the Meriam Report of 1928, which was conducted by the Institute for Government Research.

Further budget assumptions were specified by classification of categories stated in the Act, including the amount of funds available within the specific two-and-one-half year period.

Following are basic assumptions used in developing the budget, recognizing that considerable latitude and flexibility is needed as Task Force members are selected. Each Task Force, depending upon the kind and type of expertise of the members, will dictate the kind and type of support assistance will be necessary to fulfill the objectives and produce a satisfactory report within the time constraints cited in the Act. Task Force members being recruited will not be selected prior to submission of this budget request. Hence our request for flexibility.

1. The Commission staff was organized in March.
2. The Commission meetings are anticipated monthly, for 2 or 3 days, depending upon the work to be done by the Commission and decisions required to guide the staff.
3. Technical consultants are needed without regard to subject matter and can be used to assist in statistical analysis, program and budget analysis, technical writing, and editing in all Task Force areas as well as on the Commission in its comprehensive review of Indian Affairs.
4. Many Indian professional people needed for Task Force duty or as periodic consultants are not available for full-time work.

5. Certain preliminary planning and research development for Task Force indoctrination and consistency of coverage by Task Forces would be done prior to beginning the Task Forces. The development of a detailed scope of work and budget for each individual Task Force should be accomplished before each one begins. This approach is important due to the time limit of one year for Task Forces which starts with the entrance on duty of the Task Force members. We believe it would save considerable time if the Task Forces get underway in a productive manner very early in their 12 month time period. A tentative schedule would permit us to start Task Forces as late as August 15, 1975.

6. The Task Force members, while knowledgeable about the subject matter and Indian problems connected therewith, may need technical consultants for investigative procedures, technical and analytic development, and in many cases technical writing and editing. Hence also our inclusion in the budget of Task Force specialists for education, health, etc.

7. Certain data required by Task Forces may be available in studies by colleges and universities. To get this material in a usable form for the Task Force we may need to contract for the data in a specific report form. Additionally, technical consultants familiar with unique areas such as statistical analysis of Federal data might be needed.

8. Indian students in colleges and universities may be in the process of developing papers on varying subjects and with temporary employment could make their data available and benefit the Task Forces in a direct way. Moreover, they are lower in cost, ideal for certain research and drafting, and extremely motivated.

9. As indicated in the Act, a management consulting firm may be contracted for, or an experienced Management Consultant utilized, as necessary, in evaluating current Federal organizations for accomplishing the objectives of the divisions involved. The management review of the Bureau of Indian Affairs as prescribed by the "Declaration of Purpose" of the Act can be determined after the Commission staff and the Federal Administration Task Force have had a chance to consult with the Commission with regard to specific requirements in BIA management analysis.

10. Travel and meeting arrangements will be made for hearings throughout the U.S. including Alaska with a proper mix of Congressional and Indian Commission members as well as the more pertinent Task Force representatives and essential staff to record and document the material developed at the hearings.

Budget Request for the Senate

FY 1976

General Statement

The Commission requests that this appropriation be included in the Legislative Branch Appropriation Bill as a joint item under the contingent expenses of the Senate.

P.L. 93-580, approved January 2, 1975 authorized the establishment of the American Indian Policy Review Commission. The following organization is described in the Act.

Sec. 1 Members of the Commission - Total eleven, six from the Congress, three Senators and three Representatives, two from the Majority Party and one from the Minority of each House. Appointments have been made as required with the Chairman and Vice Chairman, duly elected as follows:

Senators	Representatives
James Abourezk, Chairman	Lloyd Meeds, Vice Chairman
Lee Metcalf	Sidney Yates
Mark Hatfield	Sam Steiger

Five Indian members to be selected by the Congressional members, and to represent the National Indian Community as follows:

Three representing Federally Recognized Tribes

Ada Deer, Menominee

Jake Whitecrow, Quapaw, Seneca-Cayuga

John Borbridge, Tlinget

One representing Urban Indians

Louis R. Bruce, Mohawk-Sioux

One representing non-federally recognized Tribes

Dr. Adolph L. Dial, Lumbee

Sec. 6 (a) establishes the Commission staff as a Director, General Counsel, one professional staff member, and three clerical assistants.

Sec. 4 (a) establishes Investigating Task Forces to be composed of three persons, a majority of whom shall be of Indian descent. The Task Forces are established to study nine named areas of Indian Affairs which are listed in the Act, with authority for the Commission to establish additional task forces. Ten such task force groups are provided for in this budget request. Nine to twelve task forces are contemplated to cover the subjects named in Sec. 2 of the Act, as well as those listed in Sec. 4 of the Act.

Sec. 4 (d) authorizes the Commission to provide an adequate staff to support the work of the Task Forces. The use of professional and technical consultants on a temporary or intermittent basis is contemplated as a pool available to all task forces. In view of the limitation on time allowed (maximum of 12 months) for each of the

task forces, and procedures required by the Act to provide interim quarterly reports to the Commission, a constant demand for such services is anticipated.

Sec. 2 (4) requires the collection of data regarding Indian needs of the present and near future, and

Sec. 3 (2) authorizes the Commission to conduct hearings, subpena records and material, hear witnesses, all at places deemed appropriate by the Commission. Therefore, this budget includes travel to hold hearings throughout Indian country, to hear witnesses and to receive materials and records for Task Force and the Commission use.

There is attached a list of budgeted elements by type of expenditure and in support thereof statements in more detail reflecting the basis of calculating the amount of the request.

AMERICAN INDIAN POLICY REVIEW COMMISSION - BUDGET BREAKDOWN FY 1976 (12 mos.)

BUDGET ITEM	F.Y. 76	
I. SALARIES AND COMPENSATION		
a. Indian Commissioners (5)	$29,000	
b. Regular Staff		
Director	$34,126	
General Counsel	29,143	
Professional Assistant	25,000	
Clerical Assistants (3)	42,000	
TOTAL	$130,269	
c. Investigating Task Forces (3 each of 9 to 12 groups)	$312,500	
d. Support to Task Forces		
1. Technical assistants (4)	$92,000	
2. Clerical-Research (6)	60,000	
3. Intern-Researchers (Part-time law and university students) (25)	41,000	
TOTAL SUPPORT TO TASK FORCES	$193,000	
TOTAL SALARIES AND COMPENSATION		$664,769
II. CONSULTANTS		
a. Task Force Specialists (10) @ 26,000 WAE	$216,125	
b. (15) Consultants WAE	75,000	
c. (3) Consultants WAE	66,000	
d. Contractual studies	230,000	
TOTAL CONSULTANTS		$587,125
III. ADMINISTRATIVE EXPENSES		
a. Agency Contributions to: Employee Health Benefits, CSC Retirement, Federal Employees Insurance, FICA Employers .095 rate	$12,400	
b. Travel (transportation and per diem)		
1. Indian Commissioners attend five Commission meetings in Washington, D.C.	$9,875	
2. Commission to attend hearings	$31,600	

3. Staff	$20,025	
4. Task force members	$229,000	
5. Consultants	$53,400	
TOTAL TRAVEL	$343,900	
c. Hearing expense	$48,000	
d. Stationery, Office Supplies	$9,600	
e. Communications	$44,000	
f. Newspapers, magazines, documents	$4,000	
g. Printing and Reproduction	$113,700	
TOTAL ADMINISTRATIVE EXPENSES		$575,600
TOTAL BUDGET REQUEST		$1,827,494

Narrative Explanation:

I. SALARIES AND COMPENSATION

a. Indian Commissioners $29,000

The Commission is composed of eleven (11) members, six (6) of whom are members of Congress and are not compensated under this act; five (5) of the Commissioners are to be of Indian descent and are to be compensated hereunder, at a rate not to exceed the maximum allowed under the Congressional rules of $37, 050 per annum, on a WAE (When Actually Employed) basis whenever attending meetings and serving in an employment basis. It has been anticipated they will attend four regular meetings and an average of three (3) members as selected for two day hearings and at approximately 40 hearing meetings. The meetings referred to are for the period of this request over a 12-month span.

b. Regular Staff $130,269

The regular staff is specified in PL 93-580, and is budgeted accordingly for FY 1976.

c. Investigating Task Forces $312,500

The act provides for nine (9) task forces with the authority vested in the Commission to add others if necessary, and it is anticipated at this time that several more task forces may be established. This then allows for 9 to 12 task forces to be established consisting of three members each or a total of approximately 27 to 36 employees. The manner of operation does not appear to require more than half-time of the task force, and is budgeted accordingly.

d. Support to Task Forces $193,000

This staff may be composed of temporary, intermittent employees as may be necessary, and would include an Intern program for Indian students from various colleges and universities on selected subjects covered in the task forces established. Such employees will fall into the following classes:

1. Technical analysts to review available material from Tribal and Indian sources through any and all means, including special scheduled hearings and expert witnesses. Such material from court cases, legal precedents on specific items used as evidence to support task force conclusions. $92,000

2. Clerical, typists, files and librarian assistants to prepare drafts as produced from the task forces, and to reproduce for distribution to staff and commission members for review and comment. To relay to and from task force groups. $60,000

3. The student intern program contemplates the use of from 5 to 10 students at one time over the various periods as necessary to support such materials from tehir respective schools as may be pertinent and timely in the process of task force use. $41,000

   A stipend of $150 per week for each student who qualified, will work in Washington on a schedule aptterned in the following manner:

   8 weeks per school semester @$150, or $1,200 per student
   Summer work June through August, 10 weeks @$150 or $2,100 per student

   The intern program will begin during the summer semester in 1975 and follow a schedule as below:

Summer Session	10 students	$1,500	$15,000
First Semester	5 students	1,200	6,000
Second Semester	5 students	1,200	6,000
Summer of 1976	10 students	1,500(1 mo.)	6,000
Travel Allowance			8,000

   There is estimated that 25 different students may be involved.

TOTAL SALARIES AND COMPENSATION $664,769

II. CONSULTANTS

To provide adequate support to Task Forces it is contemplated that several types of services will be required.

a. Nine to twelve Task Force Specialists W.A.E. @ an average rate of $26,000 per annum. $216,125

b. Fifteen Consultants, as needed, in such fields as agronomy, hydrology, economics, law, etc. at an average of $5,800 over the twelve (12) month Task Force period 75,000

c. Three (3) consultants averaging an estimated per annum salary of $22,000 66,000
   This type of consultant would be serving all Task Forces as necessary the following technical aspect of the work:

   1. Researchers, technical and historical
   2. Report writing and editorial
   3. Statistical charting, illustrations, tables

d. Contracted Studies $230,000

Companies of a professional nature with significant experience in the field of such matters of the Task Forces. There may be special long term studies being conducted by various colleges and universities which may be on matters pertinent to the Task Force subjects which would be of significant benefit to the study being undertaken by this Commission. This might include the Management Consulting service suggested in the Act, as well as historical societies, and continuing research staffs.

TOTAL CONSULTANTS $587,125

III. ADMINISTRATIVE EXPENSES

a. Agency contribution 9 1/2 percent of $130,269 $12,400

Employee health benefits
Civil Service Retirement
Federal Employees Group Insurance
FICA Employers Contribution

b. Travel

During the Fiscal Year there is scheduled to be held 4 regular Commission meetings and approximately 40 hearing type meetings throughout the country at various centers of Indian population. Travel for the Congressional members is chargeable to Commission funds.- The travel estimate is based on the following:

1. Indian Commissioners to attend five (5) regular meetings in Washington, D.C.
   (1) Transportation : 5 meetings 5 members @ 320 per trip $8,000
   (2) Per diem 3 days each meeting X 5 members X 5 meetings @ $25 per day $1,875
   $9,875

2. All Commissioners will attend several hearing meetings and the estimate is based on 2 Commissioners as a minimum at each of 40 meetings.
   (1) Transportation 2 X 40 meetings @ $320 average ticket $25,600
   (2) Per diem 2 people 3 days each meeting X 40 meetings @ $25 per day $6,000
   $31,600

3. Staff of 3 members including clerical aid at hearings.
   (1) Transportation 3 X 15 trips @ $320 $14,400
   (2) 3 members X 15 trips X 5 days @ $25 per day 5,625
   $20,025

4. Task force members may attend hearings, regular Commission meetings as well as visit onsite areas involved in their subject under study. Based on from 9 to 12 task forces of 3 members each.
   (1) Transportation 20 trips of 30 task force members @ $250 per ticket $150,000
   (2) Rental Vehicle 4,000
   (3) Per diem 30 members X 20 trips of 5 days each @ $25 per day 75,000
   $229,000

5. Consultants
   (1) Transportation
   24 people 5 trips @ $320 $38,400
   (2) Per diem 5 days X 5 trips 15,000
   X 24 people @ $25 $53,400
   TOTAL TRAVEL $343,900

c. Hearing expense.
Expense includes reporters, space rental, transcript, etc. @ $4,000 per hearing, estimate 12 hearings $48,000

d. Stationery, Office Supplies
Estimated $800 allotted for administrative supplies for task forces, hearings, and staff $9,600

e. Communications
Telephone, WATTS service and postage costs estimated at $3,666 per month for staff, task force and commissioners throughout the country $44,000

f. Newspapers, magazines, documents.
Miscellaneous expense for informational periodicals, Indian newspapers, etc. estimated $4,000

g. Printing and Reproduction
Xerox copying, binding reports, copying of research material, etc., estimated costs $113,700

TOTAL ADMINISTRATIVE EXPENSES $575,600

TOTAL BUDGET REQUEST $1,827,494

Budget Request for the Senate

FY 197T (July 1, 1976 thru Sept. 30, 1976)

General Statement

The Commission requests that this appropriation be included in the Legislative Branch Appropriation Bill as a joint item under the contingent expenses of the Senate.

P.L. 93-580, approved January 2, 1975 authorized the establishment of the American Indian Policy Review Commission. The following organization is described in the Act.

Sec. 1 Members of the Commission - Total eleven, six from the Congress, three Senators and three Representatives, two from the Majority Party and one from the Minority of each House. Appointments have been made as required with the Chairman and Vice Chairman, duly elected as follows:

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Three representing Federally Recognized Tribes

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Jake Whitecrow, Quapaw, Seneca-Cayuga

John Borbridge, Tlinget

One representing Urban Indians

Louis R. Bruce, Mohawk-Sioux

One representing non-federally recognized Tribes

Dr. Adolph L. Dial, Lumbee

Sec. 6 (a) establishes the Commission staff as a Director, General Counsel, one professional staff member, and three clerical assistants.

Sec. 4 (a) establishes Investigating Task Forces to be composed of three persons, a majority of whom shall be of Indian descent. The Task Forces are established to study nine named areas of Indian Affairs which are listed in the Act, with authority for the Commission to establish additional task forces. Ten such task force groups are provided for in this budget request. Nine to twelve task forces are contemplated to cover the subjects named in Sec. 2 of the Act, as well as those listed in Sec. 4 of the Act.

Sec. 4 (d) authorizes the Commission to provide an adequate staff to support the work of the Task Forces. The use of professional and technical consultants on a temporary or intermittent basis is contemplated as a pool available to all task forces. In view of the limitation on time allowed (maximum of 12 months) for each of the task forces, and procedures required by the Act to provide interim quarterly reports to the Commission, a constant demand for such services is anticipated.

Sec. 2 (4) requires the collection of data regarding Indian needs of the present and near future, and

Sec. 3 (2) authorizes the Commission to conduct hearings, subpena records and material, hear witnesses, all at places deemed appropriate by the Commission. Therefore, this budget includes travel to hold hearings throughout Indian country, to hear witnesses and to receive materials and records for Task Force and the Commission use.

There is attached a list of budgeted elements by type of expenditure and in support thereof statements in more detail reflecting the basis of calculating the amount of the request.

GENERAL OPERATING PLAN

BUDGET FOR 197T

Introduction

In order to address the budget properly, it has become necessary to take certain actions which the legislation emphasizes for budget and operational planning.

In addition, the reviews, studies, and investigations of the AIPRC should be guided by the relative successes and failures of previous Federal Indian policy reviews, notably the Meriam Report of 1928, which was conducted by the Institute for Government Research.

Further budget assumptions were specified by classification of categories stated in the Act, including the amount of funds available within the specific two-and-one-half year period.

Following are basic assumptions used in developing the budget, recognizing that considerable latitude and flexibility is needed as Task Force members are selected. Each Task Force, depending upon the kind and type of expertise of the members, will dictate the kind and type of support assistance will be necessary to fulfill the objectives and produce a satisfactory report within the time constraints cited in the Act. Task Force members being recruited will

not be selected prior to submission of this budget request. Hence our request for flexibility.

1. The task force final reports are due during 197T, specifically during July and August.
2. The American Indian Policy Review Commission will conduct one Commission meeting and one hearing during 197T. In addition they will review the final reports of each task force during August and September.
3. Technical consultants are needed without regard to subject matter and can be used to assist in statistical analysis, program and budget analysis, technical writing, and editing in all Task Force areas as well as on the Commission in its comprehensive review of Indian Affairs.
4. Many Indian professional people needed for Task Force duty or as periodic consultants are not available for full-time work.
5. The Commission staff will begin preparations for the Commission's final report due in January, 1977 even before all final Task Force reports are submitted to the American Indian Policy Review Commission between July 21, 1976 and August 18, 1976.
6. The Task Force members, while knowledgeable about the subject matter and Indian problems connected therewith, may need technical consultants for investigative procedures, technical and analytic development, and in many cases technical writing and editing. Hence also our inclusion in the budget of Task Force specialists for education, health, etc.
7. The final use of appropriate consultant technicians and specialists should begin at this time. Except for editorial, legal and technical writers, consultant activity will probably cease for the most part in October and November.

AMERICAN INDIAN POLICY REVIEW COMMISSION - BUDGET BREAKDOWN 197T (3 mos)

BUDGET ITEM	197T	
I. Salaries and Compensation		
a. Indian Commissioners (5)	$3,000	
b. Regular Staff		
Director	$8,534	
General Counsel	7,297	
Professional Assistant	6,250	
Clerical Assistants (3)	10,400	
TOTAL	$32,481	
c. Investigating Task Forces (3 each of 9 to 12 groups)	$62,500	
d. Support to Task Forces		
1. Technical Assistants (4)	25,000	
2. Clerical - Research (6)	10,000	
3. Intern - Researchers (10)	9,000	
TOTAL SUPPORT TO TASK FORCES	$44,000	
TOTAL SALARIES AND COMPENSATION		$141,981
II. Consultants		
Task Force Specialists (9-12)		
a. (10) @ 26,000 WAE	$56,875	
b. (15) Consultants WAE	12,000	
c. (3) Consultants WAE	16,500	
Contractual Studies	--	
TOTAL CONSULTANTS		$85,375
III. Administrative Expenses		
a. Agency contributions to: Employee health benefits, CSC retirement, Federal Employees Insurance, FICA Employers .095 rate	3,100	
b. Travel (transportation & per diem)		
1. Indian Commissioners attend one regular meeting	1,655	

2. All Commissioners attend hearing in Washington, D.C.	$1,655	
3. Staff	3,855	
4. Task force members	10,725	
5. Consultants	3,950	
TOTAL TRAVEL	$21,840	
c. Hearing expense	12,000	
d. Stationery, Office Supplies	2,400	
e. Communications (Telephone - Postage)	11,000	
f. Newspapers, magazines, documents	1,000	
g. Printing & Reproduction	28,300	
TOTAL ADMINISTRATIVE EXPENSES		$79,640
TOTAL BUDGET		$306,996

Narrative Explanation:

I. SALARIES AND COMPENSATION

a. Indian Commissioners $3,000

The Commission is composed of eleven (11) members, six (6) of whom are members of Congress and are not compensated under this act; five (5) of the Commissioners are to be of Indian descent and are to be compensated hereunder, at a rate not to exceed the maximum allowed under the Congressional rules of $37,050 per annum, on a WAE (When Actually Employed) basis. It has been anticipated they will attend one (1) regular meeting and one hearing.

b. Regular Staff $32,481

The regular staff is specified in PL 93-580, and is budgeted accordingly for 197T.

c. Investigating Task Forces $62,500

The act provides for nine (9) task forces with the authority vested in the Commission to add others if necessary, and it is anticipated at this time that several more task forces may be established. This then allows for 9 to 12 task forces to be established consisting of three members each or a total of approximately 27 to 36 employees. The manner of operation does not appear to require more than half-time of the task force, and is budgeted accordingly.

d. Support to Task Forces $44,000

This staff may be composed of temporary, intermittent employees as may be necessary, and would include an Intern program for Indian students from various colleges and universities on selected subjects covered in the task forces established. Such employees will fall into the following classes:

1. Technical analysts to review available material from Tribal and Indian sources through any and all $25,000

means, including special scheduled hearings and expert witnesses. Such material from court cases, legal precedents on specific items used as evidence to support task force conclusions.

2. Clerical, typists, files and librarian assistants to prepare drafts as produced from the task forces, and to reproduce for distribution to staff and commission members for review and comment. To relay to and from task force groups. $10,000

3. The student intern program contemplates the use of (10) students @ $150 per week for approximately 6 weeks during July and August $9,000

TOTAL SALARIES AND COMPENSATION $141,981

II. CONSULTANTS

To provide adequate support to task forces it is contemplated that several types of services will be required.

a. Nine to twelve task force specialists W.A.E. @ an average rate of $26,000 per annum $56,875

b. Fifteen Consultants, as needed, in such fields as agronomy, hydrology, economics, law, etc. at an average of $5,800 over the twelve (12) month task force period $12,000

c. Three (3) consultants averaging an estimated per annum salary of $22,000 $16,500
This type of consultant would be serving all task forces as necessary with the following technical aspect of the work:
1. Researchers, technical and historical
2. Report writing and editorial
3. Statistical charting, illustrations, tables

TOTAL ESTIMATED COST FOR CONSULTANTS $85,375

III. ADMINISTRATIVE EXPENSES

a. Agency contribution 9 1/2 percent of $32,481 $3,100
Employee health benefits
Civil Service Retirement
Federal Employees Group Insurance
FICA Employers Contribution

b. Travel

During 197T there is scheduled to be held 1 regular Commission meeting and 1 hearing in Washington, D.C. The travel estimate is based on the following:

1. Indian Commissioners to attend one (1) regular meeting in Washington, D.C.
   (a) Transportation: 1 meeting 4 members @ $320 per trip $1,280
   (b) Per diem 3 days X 5 members @ $25 15 days per diem $ 375
   $1,655
2. All Commissioners will attend one hearing in Washington, D.C.
   (a) Transportation 4 X 1 meeting @ $320 average ticket $1,280
   (b) Per diem 3 days X 5 members @ $25 15 days per diem $ 375
   $1,655

3. Staff
Professional staff transportation to meetings, task force assignments or consultation as the Chairman of the Commission may direct

(a) Average 3 trips for 3 professional staff members - 3 trips @ $320 per ticket $2,880

(b) Per diem, 3 staff members - 3 trips (average) 3 days @ $25 per diem $ 675

(c) Rental Vehicle 3 trips at average 3 days @ $20 per day & 20¢ per mi. @ average 200 mi. $ 300

$3,855

4. Task force members will attend one full Commission meeting and/or Subcommittee meeting with Commissioners. They will also complete their task force final reports and discuss each task force conclusion and recommendations with staff and Commission members

(a) Transportation
1 trip of 33 task force members @ $250 per ticket $8,250

(b) Per diem 33 members X 1 trip of 3 days each 99 days @ $25 per diem $2,475

$10,725

5. Consultants

(a) Transportation
10 people 1 trip @ $320 $3,200

(b) Per diem 3 days X 1 trip X 10 people 30 days @ $25 750

$3,950

Total Travel $21,840

c. Hearing Expense
Expenses include space rentals, transcripts, reporters, etc., cost $4,000 per hearing, 3 hearings $12,000

d. Stationery, office supplies
$800 per month allotted for supplies for task forces, hearings, and staff administrators $2,400

e. Communications $11,000
Telephone, WATTS service, and postage estimated at $3666 per month for staff, task force and Commissioners throughout the country

f. Newpapers, magazines, documents.
Miscellaneous expense for informational periodicals, the Indian newspapers, etc.
estimated $1,000

g. Printing and Reproduction
Xerox copying, binding reports, copying of research material, etc., estimated costs: $28,300

TOTAL ADMINISTRATIVE EXPENSES $79,640

TOTAL BUDGET $306,996

COMMUNICATIONS

Senator HUDDLESTON. The subcommittee has received letters regarding the allowance by the House of Representatives to the Office of Technology Assessment, the Library of Congress, and the General Accounting Office.

These letters will be printed in the hearing record at this point.

[The letters follow:]

LETTER FROM OLIN E. TEAGUE

Congress of the United States
OFFICE OF TECHNOLOGY ASSESSMENT
WASHINGTON, D.C. 20510

May 15, 1975

Dear Mr. Chairman:

I have just received the report of the House Committee on Appropriations which, among other things, recommends funding the 1976 program of the Office of Technology Assessment at a level of $5,600,000. The recommendation is $900,000 below our request of $6,500,000. The report indicated the concern of the Committee over "rapid growth" of OTA and noted the forthcoming report of the House Commission on Information and Facilities which it feels would be useful in determining future needs of the General Accounting Office, the Congressional Research Service, and the Office of Technology Assessment.

As I explained in my statement before your Subcommittee in support of our fiscal year 1976 budget estimate, the work to be undertaken by the Office of Technology Assessment is initiated at the request of Committee Chairmen in both the House and the Senate, and is reviewed and approved by the bi-partisan Congressional Technology Assessment Board. We have about 60 Congressional requests, covering more than twice that number of specific issues or problem areas. It is estimated that an effective response to all of these requests would require funding on the order of $23 million to $26 million, a level of activity which many people in the academic, business and public interest communities feel would be more in keeping with the magnitude and importance of technological issues before the Congress. However, we have asked for only $6.5 million in fiscal 1976 to cover a very selective and conservative program which addresses only what are perceived to be the most pressing issues currently being considered in the Congress. The reduction of $900,000 in our request means that, if we continue to meet our schedules for work currently in progress, we must in 1976 reduce our capability to respond to new requests for assessments to a level 30% below our capabilities this year. This will significantly reduce our effective-

ness in 1976, and will impair our already conservative plans for the development of the Office in 1976, and in the following years, into a fully operational technical resource of the Congress.

I respectfully urge that your Subcommittee restore the fiscal 1976 funding level of OTA to the $6.5 million requested.

In view of a number of requests that have been received late in this fiscal year, carryover authority is needed to provide the flexibility necessary for the careful development of assessments responsive to these requests. Accordingly, I request that you continue the authority to carryover into 1976 the 1975 unobligated balance, as was provided in last year's appropriation.

I appreciate your consideration of the above requests, and will be pleased to furnish any additional information you may require.

Sincerely,

Olin E. Teague
Chairman
Technology Assessment Board

LETTER FROM JOHN G. LORENZ

THE LIBRARIAN OF CONGRESS

WASHINGTON, D.C. 20540

May 16 1975.

Dear Senator Hollings:

The House Committee on Appropriations reported out H. R. 6950, the Legislative Branch Appropriation Bill for 1976, on May 13, 1975. Included in that Bill were appropriations for the Library of Congress totaling $115,134,800, which was $4,917,300 less than the amount requested by the Library in its 1976 Budget Estimates. The House Report shows a reduction of only $4,580,300; however, $337,000 requested for the National Commission on New Technological Uses of Copyrighted Works was deferred by the House and not reflected as part of the reductions made by the House. The Library requests that your Committee approve the increases allowed by the House, and we urgently request that you approve the increases which were not allowed by the House in the amount of $3,518,300, which includes $337,000 for the National Commission on New Technological Uses of Copyrighted Works. I am enclosing a detailed summary for each appropriation showing our original budget

request, action taken by the House, and specific appeal which we are requesting of the Senate. Items which we are appealing to the Senate are accompanied by a further justification of their urgency.

The House retained the limitation on attendance at meetings in the Administrative Provisions in the amount of $75,000. We request that the amount of the limitation be established as $94,000 for fiscal year 1976 and $23,000 for the transition period July 1, 1976, through September 30, 1976.

I am also enclosing a summary for the transition year showing our original request, action taken by the House, and appeal to the Senate.

Sincerely yours,

John G. Lorenz

John G. Lorenz
Acting Librarian of Congress

Library of Congress
1976 Estimates

	1975	1976 Estimate	1976 Allowed by House	House Increase over 1975	1976 Appeal to Senate	Revised 1976 Estimate
Salaries and Expenses, Library of Congress	$49,825,000* (2,489)	$ 58,675,000 (2,629)	$ 57,096,000 (2,535)	$ 7,071,000** (46)	$1,129,000** (94)	$ 58,225,000 (2,629)
Salaries and Expenses, Copyright Office	5,992,000 (385)	6,958,000 (416)	6,753,500 (416)	761,500 (31)	134,500 (-)	6,888,000 (416)
Salaries and Expenses, National Commission on New Technological Uses of Copyrighted Works	----	337,000	----	---	337,000	337,000
Salaries and Expenses, Congressional Research Service	13,722,000 (703)	17,810,000 (860)	16,136,700 (753)	2,414,700 (50)	1,673,300 (107)	17,810,000 (860)
Salaries and Expenses, Distribution of Catalog Cards	10,780,000 (555)	11,387,000 (498)	11,285,000 (498)	505,000 (-57)	---- (-)	11,285,000 (498)
Books for the General Collections	1,458,000	1,695,000	1,695,000	237,000	----	1,695,000
Books for the Law Library ...	229,000	251,000	251,000	22,000	----	251,000

* Reflects the additional $200,000 absorption for pay supplemental.
** Does not include the additional $200,000 for pay raise annualization due to additional absorption in Second Supplemental for 1975.

Library of Congress
1976 Estimates

	1975	1976 Estimate	1976 Allowed by House	House Increase over 1975	1976 Appeal to Senate	Revised 1976 Estimate
Salaries and Expenses, Books for the Blind and Physically Handicapped	$11,416,900 (105)	$ 15,941,000 (109)	$ 15,813,000 (109)	$ 4,396,100 (4)	$ 128,000 (-)	$ 15,941,000 (109)
Collection and Distribution of Library Materials (Special Foreign Currency Program)	2,014,100 (9)	2,014,100 (9)	2,014,100 (9)	---- (-)	---- (-)	2,014,100 (9)
Furniture and Furnishings:						
Regular	593,000	1,017,000	900,500	307,500	116,500	1,017,000
Madison Memorial Building ..	2,726,000	3,913,000	3,136,000	410,000	----	3,136,000
	3,319,000	4,930,000	4,036,500	717,500	116,500	4,153,000
Reappropriation	----	20,000	20,000	20,000	----	20,000
Salaries and Expenses, Revision of Annotated Constitution	34,000 (4)	34,000 (4)	34,000 (4)	---- (-)	---- (-)	34,000 (4)
TOTAL	$98,790,000 (4,250)	$120,052,100 (4,525)	$115,134,800 (4,324)	$16,144,800 (74)	$3,518,300 (201)	$118,653,100 (4,525)

Note: Budgeted positions shown in ( ).

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Library of Congress
1976 Transition Estimates (1976 T)

	1976 T Estimate	1976 T Allowed by House	1976 T Appeal to Senate	Revised 1976 T Estimate
Salaries and Expenses, Library of Congress	$15,308,000	$14,838,500	$ 357,000	$15,195,500
Salaries and Expenses, Copyright Office	1,819,000	1,768,000	----	1,768,000
Salaries and Expenses, National Commission on New Technological Uses of Copyrighted Works	114,000	----	114,000	114,000
Salaries and Expenses, Congressional Research Service	4,845,000	4,286,300	558,700	4,845,000
Salaries and Expenses, Distribution of Catalog Cards	2,997,000	2,971,500	----	2,971,500
Books for the General Collections	456,000	456,000	----	456,000
Books for the Law Library	75,000	75,000	----	75,000
Salaries and Expenses, Books for the Blind and Physically Handicapped	3,760,000	3,728,000	32,000	3,760,000
Collection and Distribution of Library Materials (Special Foreign Currency Program)	498,000	498,000	----	498,000
Furniture and Furnishings:				
Regular	94,000	80,700	13,300	94,000
James Madison Memorial Building	58,000	58,000	----	58,000
	152,000	138,700	13,300	152,000
Salaries and Expenses, Revision of Annotated Constitution	9,000	9,000	----	9,000
TOTAL	$30,033,000	$28,769,000	$1,075,000	$29,844,000

Salaries and Expenses, Library of Congress:

	Permanent Positions	Amount
New Budget Authority, 1975 - House	2,489	$50,025,000
New Budget Authority, 1975 - Senate ...	2,489	$49,825,000
Budget Estimates for 1976	2,629	$58,675,000
Reductions by House	-94	-1,579,000
Allowed by House	2,535	$57,096,000
Appeal to Senate	+94	+1,129,000
Total Revised 1976 Estimates	2,629	$58,225,000

	1976 Increases Requested		House Allowance		Senate Appeal	
1. Accident compensation		$ 6,903		$ 6,903		$ ----
2. Ingrades and reallocations		737,016		737,016		----
3. One day extra		169,029		169,029		----
4. Ann. of 66 positions (1975)		211,286		211,286		----
5. Ann. of pay raises		699,000		699,000		[200,000]*
6. Personnel benefits		88,334		88,334		----
7. New positions requested:						
Processing Department ...	(46)	458,239	(20)	169,215	(26)	289,024
Reference Department	(34)	276,747	(3)	22,498	(31)	254,249
Law Library	(5)	53,009	(-)	----	(5)	53,009
Administrative Department	(39)	387,945	(23)	234,587	(16)	153,358
Office of the Librarian .	(5)	58,974	(-)	----	(5)	58,974
Total	(129)	1,234,914	(46)	426,300	(83)	808,614
8. Preservation:						
Original Format		25,000		25,000		----
Physical prep & maint ...		60,000		60,000		----
Micro - general collec ..		91,600		61,100		30,500
Micro - special collec ..		221,500		125,000		96,500
Motion pictures		125,900		78,490		47,410
		524,000		349,590		174,410

*Annualization of pay raises becomes $899,000 due to $200,000 additional absorption from Rental of Space offered to Senate in Second Supplemental, 1975.

	1976 Increases Requested	House Allowance	Senate Appeal
9. Non-personal services:			
Travel:			
Regular travel	$ 27,992	$ 10,481	$ 17,511
Attendance at meetings	18,725	9,215	9,510
	46,717	19,696	27,021
Rent, etc.:			
Local telephone--reg ..	20,000	14,728	5,272
Local telephone--data communications	156,000	156,000	----
Rental of ADP equipment	1,749,922	1,749,922	----
Rental of space	2,616,000	2,166,000	----
	4,541,922	4,086,650	5,272
Printing & Reproduction:			
Printing, forms	90,000	81,138	8,862
Photoduplication	10,000	6,200	3,800
	100,000	87,338	12,662
Other Services	127,770	127,770	----
Supplies and Materials:			
Office supplies	50,000	43,588	6,412
Housekeeping supplies .	12,000	12,000	----
Pamphlets & documents	2,500	2,500	----
Medical supplies	4,000	4,000	----
	68,500	62,088	6,412
Total non-personal .	4,884,909	4,383,542	51,367
10. NPAC	(11) 94,609	(-) ----	(11) 94,609
Total	(140) $8,650,000	(46) $7,071,000	(94) $1,129,000

Processing Department:	1976 Increases Requested	House Allowance	Senate Appeal
Expand scope of MARC	(14) $144,212	(8) $ 62,597	(6) $ 81,615
Automation programs	(10) 111,491	(-) ----	(10) 111,491
CONSER	(16) 149,964	(8) 75,042	(8) 74,922
CRS acquisitions support	(3) 21,078	(3) 21,078	(-) ----
Catalog sound recordings	(2) 20,996	(-) ----	(2) 20,996
Dewey Decimal Class in MARC	(1) 10,498	(1) 10,498	(-) ----
Total	(46) $458,239	(20) $169,215	(26) $289,024

MARC Editorial Division - 6 positions

The Machine-Readable Cataloging (MARC) format, is a national and international standard that is central to the national bibliographic data base. The MARC tapes are used by libraries for the selection, acquisition, and cataloging of library materials. The six positions are requested in order to complete coverage of the Romance languages, and Dutch and Scandinavian materials and to provide administrative support.

Serial Record Division - 8 positions

Research libraries have found it necessary to devote increasingly large portions of their total budgets to the acquisition, processing, housing, and servicing of serial publications because of the amount of manual processing involved and the lack of standardized systems. Eight positions are needed to implement the Library's participation in CONSER (CONversion of SERials data base project), a cooperative effort to develop a national machine-readable serials data base.

MARC Development Office - 10 positions

The primary objective of this Office is to apply the benefits of automation to the technical services functions of the Library. This request for 10 positions addresses itself to the necessity of capitalizing on almost a decade of growth in the area of automation and making full use of these technical developments in the Library.

Descriptive Cataloging Division - 2 positions

Non-music sound recordings have become increasingly important to audiovisual collections, and the Library must begin to provide coverage to meet the needs of these collections.

	1976 Increases Requested	House Allowance	Senate Appeal
NPAC	(11) $ 94,609	(-) $ ----	(11) $ 94,609

National Program for Acquisitions and Cataloging (NPAC) - 11 positions

Through NPAC the Library of Congress promptly acquires current books of research value, catalogs them, and disseminates this cataloging data widely to meet the urgent needs of American libraries. The dramatic increase in total Library of Congress cataloging capability results in savings of millions of dollars annually for libraries across the nation. The use of LC cataloging copy saves from one-half to two-thirds of the cost of original cataloging at individual libraries. Eleven positions are requested to handle reports from participating libraries on U.S., Chinese, and Korean materials and for extension of shared cataloging coverage of European countries.

Reference Department:	1976 Increases Requested	House Allowance	Senate Appeal
Improve ref services	(7) $ 63,646	(-) $ ----	(7) $ 63,646
Currency in processing materials	(13) 107,716	(-) ----	(13) 107,716
Delivery of materials	(6) 37,997	(-) ----	(6) 37,997
Preservation and automation	(8) 67,388	(3) 22,498	(5) 44,890
Total	(34) $276,747	(3) $ 22,498	(31) $254,249

Reference Department - 31 positions

The Reference Department is faced with ever-growing collections of essential research materials (more than 1,000,000 pieces added annually) and with users who expect and require more and better service from these valuable collections. The workload facing the Department is in terms of more material to be shelved and served, of the need for higher quality of service and, in some cases, a workload resulting from greater numbers of readers. Increases in collection size and in demands for improved quality of service are the justifications for 14 of the 34 new positions requested. Without these new positions we shall not be able to maintain the quality of service expected of us as the Nation's largest library.

The second major problem facing the Reference Department is the fact that there are many types and large amounts of research materials that are not adequately described by traditional catalog records. Use of such large and undescribed collections is increasingly difficult for readers. Thirteen of the 34 positions requested are needed to prepare the descriptive records or otherwise to organize collections for effective access. Without these positions more materials will be without adequate descriptive controls, thus affecting reader and reference uses adversely.

Finally, seven of the 34 positions are requested as part of the continuing Library effort to preserve its valuable research collections. These seven positions are required for the selection of the items most in need of attention and for preparing them for appropriate treatment by the preservation specialists.

	1976 Increases Requested	House Allowance	Senate Appeal
Law Library	(5) $53,009	(-) $ ----	(5) $53,009

Law Library - 5 positions

These positions are needed to manage a continuously increasing workload. They will improve the efficiency and economy of research, acquisition, processing, and maintenance of the growing collections of the Law Library.

	1976 Increases Requested	House Allowance	Senate Appeal
Administrative Department:			
General service and support	(24) $253,687	(8) $100,329	(16) $153,358
Preservation of materials	(13) 114,653	(13) 114,653	(-) ----
Madison Building planning staff	(2) 19,605	(2) 19,605	(-) ----
Total	(39) $387,945	(23) $234,587	(16) $153,358

Administrative Department - 16 positions

This appeal is directed to 16 positions which were not allowed by the House to provide general service and support. Approval by the House of only 8 of the 24 positions sought in this category does not adequately recognize the growth which has already occurred in the workload of the department which must support all elements of the Library. Although the need for each of the 16 positions not allowed is discussed in detail in the Justification of Estimates, I wish to call special attention to the teleprocessing systems specialist, who is essential if the Library is to provide high quality on-line computer service, to the three clerk-typist/stenographer positions which are urgently needed to provide such support in offices where little or none exists and thus expedite their basic mission, and to the two budget analysts who are required to cope with new problems in multi-year program definition and budgeting. All of the other 10 positions are needed to handle specific and growing workloads already being imposed on various elements of the department which at present require expensive overtime or which must remain undone.

Office of the Librarian:	19[illegible] Increases Requested	House Allowance	Senate Appeal
Office of General Counsel	(1) $15,093	(-) $ ----	(1) $15,093
Audit Office	(1) 8,600	(-) ----	(1) 8,600
Exhibits Office	(3) 35,281	(-) ----	(3) 35,281
Total	(5) $58,974	(-) $ ----	(5) $58,974

Office of the Librarian - 5 positions

None of the positions sought for the Office of the Librarian were allowed by the House. We are appealing for three positions for the Exhibits Office to adequately staff the traveling exhibit program, and to handle the growing number of requests from other institutions to borrow individual items from the Library for their own exhibits. One attorney adviser is requested for the Office of the General Counsel to assist the Librarian with legal review on all matters relating to the administration of the Library, for study to recommend legal policy, and to enable the Office to keep current in assignments. Finally, one position is requested for the Office of the Internal Auditor. An administrative secretary is required to provide needed administrative and clerical support for the Office in order to accomplish essential workload.

Preservation of Library Materials:	1976 Increases Requested	House Allowance	Senate Appeal
Preservation in Original Format	$ 25,000	$ 25,000	$ ----
Physical preparation & maintenance ..	60,000	60,000	----
Preserv microfilming--general collections	91,600	61,100	30,500
Preserv microfilming--special collections	221,500	125,000	96,500
Preservation of motion pictures	125,900	78,490	47,410
Total	$524,000	$349,590	$174,410

The reduction of $30,500 in the Library's category III, Microreproduction of Deteriorating Materials in the General Collections, and the reduction of $96,500 in category IV, Microreproduction of Deteriorating Materials in the Library's Special Collections, are cause for deep concern. There are more than 6 million deteriorating volumes plus historical manuscripts, the original manuscripts of the music of famous composers, maps,

and similar materials in the Library's collections. These must be microfilmed if they are to be preserved. These reductions will significantly reduce the rate at which the Library can convert these materials to permanent form. In addition, the Library expects a 10 percent increase in microfilming costs during fiscal 1976.

The House reduced the requested increase for Preservation of Motion Pictures from $125,900 to $78,490. With the full amount of the increase, we will be able to save approximately 2,000,000 additional feet of film. With the reduced amount allowed by the House, we will only be able to save an additional 1,200,000 feet of film. The 800,000 feet not converted may, in some cases, be lost forever, because this conversion is essentially a race against time. For example, in 1974, we lost 37,835 feet of nitrate film which crumbled to dust or shrank so badly it could not be converted to safety base film. Therefore, the Library requests restoration of the $47,410 reduced by House action.

	197 Increases Requested	House Allowance	Senate Appeal
Non-personal services:			
Travel:			
Regular Travel	$ 27,992	$ 10,481	$ 17,511
Attendance at Meetings	18,725	9,215	9,510
	46,717	19,696	27,021
Rent, etc.:			
Local telephone--regular	20,000	14,728	5,272
Local telephone--data comm.	156,000	156,000	----
Rental of ADP equipment	1,749,922	1,749,922	----
Rental of space	2,616,000	2,166,000	----
	4,541,922	4,086,650	5,272
Printing and Reproduction:			
Printing, forms	90,000	81,138	8,862
Photoduplication	10,000	6,200	3,800
	100,000	87,338	12,662
Other Services	127,770	127,770	----
Supplies and Materials:			
Office supplies	50,000	43,588	6,412
Housekeeping supplies	12,000	12,000	----
Pamphlets and Documents (ISO)	2,500	2,500	----
Medical Supplies	4,000	4,000	----
	68,500	62,088	6,412
Total	$4,884,909	$4,383,542	$ 51,367

The House reduced the Library's request for local telephone service, printing forms, photoduplication, and office supplies by $24,346 because these increases were associated with the new positions which were not allowed. Therefore, we are requesting restoration of this amount along with our request for the positions.

We are also requesting restoration of $27,021 reduced in the travel allotment for regular travel ($17,511) and attendance at meetings travel ($9,510).

Salaries and Expenses, Copyright Office:

	Permanent Positions	Amount
New Budget Authority, 1975	385	$5,992,000
Budget Estimates, 1976	416	$6,958,000
Reductions by House	--	-204,500
Allowed by House	416	$6,753,500
Appeal to Senate	--	+134,500
Revised 1976 Estimate	416	$6,888,000

		1976 Increases Requested	House Allowance	Senate Appeal
1.	Ingrades and reallocations	$ 103,963	$ 103,963	$ ----
2.	One day extra	25,297	25,297	----
3.	Ann. of 5 new pos (1975) .	9,453	9,453	----
4.	Ann. of pay raises	132,000	132,000	----
5.	Personnel Benefits	43,695	43,695	----
6.	New positions requested ..	(31) $ 308,387	(31) $ 308,387	(--) $ ----
7.	Travel:			
	Regular	15,705	12,404	3,301
	Attendance at Meetings ..	2,700	1,501	1,199
	Local	300	300	----
		18,705	14,205	4,500
8.	Rent, etc.	80,000	80,000	----
9.	Printing & Reproduction ..	30,000	30,000	----
10.	Other Services	200,000	----	130,000
11.	Supplies, Books	14,500	14,500	----
	Total	(31) $ 966,000	(31) $ 761,500	(--) $ 134,500

The House reduced the appropriation for the Copyright Office by $204,500. The Library requests that the Senate restore $134,500 of that reduction. We ask that the reduction of $4,500 in travel funds be restored in full, and that $130,000 be restored of the $200,000 requested to support the extensive advance planning necessary for the Copyright Office to implement

the major new function that will be assi ned to it under the revision bill.

This planning support will take the form of specialized one-time studies in three major areas: (1) cable television licensing, (2) jukebox licensing, and (3) distribution by the Copyright Office of the proceeds of licensing, and establishment of the Copyright Royalty Tribunal. These three subjects are related to some extent, but each presents unique legal and procedural problems, unrelated to any functions now performed by the Copyright Office.

Although the revision bill has not yet passed either House in the 94th Congress, we nevertheless believe that the chances for enactment in this Congress are so great that advance planning in at least the three areas indicated is needed if the transition from the old to the new laws is to be accomplished smoothly and efficiently.

After further review, we have revised our budget estimate for this item as follows:

Task No. 1	$ 65,000
Task No. 2	25,000
Task No. 3	40,000
Total	$130,000

Task No. 1. Study of Licensing Requirements for Cable Television, $65,000

Cable television (CATV) is a significant and growing public communications service in the United States. Cable systems pick up broadcasts of programs originated by others and retransmit them to paying subscribers. A typical system consists of a central antenna which receives and amplifies television signals, and a network of cable through which the signals are transmitted to the receiving sets of individual subscribers. There are approximately 3,500 CATV syste s now in operation in the United States serving 10 million homes and 30 million people. The high quality of cable signals and its capacity to offer a wide variety of transmissions of commercial television programs and other services, make it potentially an extremely significant communications medium in the future.

Section 111 of the revision bill (S. 22) provides in general that, when a cable operator retransmits to its subscribers a radio or

television broadcast that it is permitted to carry under the FCC rules, it can do so without first getting licenses from the owners of copyright in the programs being carried under a compulsory licensing system. That licensing system requires the operator to obtain licenses from the Copyright Office, make quarterly accounts and reports to the Office, and to pay certain fees into the Office on a quarterly basis for distribution to copyright owners.

These provisions, which are extremely complex and detailed, would require establishment of a large and elaborate system of licensing, insuring compliance, fiscal control, and disbursement. Before this can even be approached, it would be necessary for the Office to have an understanding of the technical aspects of the cable industry, including its operations, capitalization and revenue-producing structure, and the effect of current and proposed regulations of the Federal Communications Commission.

To accomplish this goal the Copyright Office wishes to let a contract with qualified specialists to bring together all needed information concerning the cable television industry, including its organizational structure, its regulatory framework, and the economics of CATV systems, including capitalization requirements, depreciation of operating plants and methods of computing operating costs as a function of revenue.

Task No. 2. Study of Licensing Requirements for Jukeboxes, $25,000

Under the present copyright statute, the operators of "coin-operated phonorecord players" (jukeboxes) pay no royalties to copyright owners for performances of their works and, unlike CATV operators, are not subject to government regulation. The revision bill (S. 22) would require every jukebox in the United States (roughly 450,000 individual machines) to apply to the Copyright Office for a performing license during the month of January of each year and to pay a royalty fee of $8.00 for each box at the same time. The Copyright Office is required to issue a license certificate within 20 days, and unless a particular jukebox carries the Copyright Office certificate on or before March 1 of the particular year, performances of copyrighted music on that box become fully actionable as infringements. The Copyright Office is also required, each January, to

receive the claims of those who consider themselves entitled to collect royalties for jukebox performances during the preceding year, and to disburse any amounts not in dispute after October 1.

The extremely short and exigent time limits imposed on the Office and the lack of any previous government experience in the jukebox area make thorough advance study and planning essential.

The purposes of this task will be:

(1) To study the jukebox industry, and to compute the number of jukebox operators and jukeboxes in the United States;

(2) To develop a system for controling and processing jukebox license applicati ns and for issuing the certificates;

(3) To estimate the manpower and other resources required to operate the system.

The contract for this task will be let with a firm experienced in high-volume mailing and distribution operations.

Task No. 3. Development of a Royalty Distribution System, $40,000

As already indicated, under sections 111 and 116 of S. 22 the Copyright Office is required to distribute the copyright royalties collected to the various copyright owners and other persons or organizations designated by the law to receive royalties. The formulae and timing of these distributions vary with the type of royalty; however, it is assumed that one organizational unit within the Copyright Office will be responsible for discharging the following functions under these sections of the law:

(1) Preparing and implementing the detailed regulations, forms, and procedures for collecting the royalties;

(2) Preparing and implementing the detailed regulations, forms, and procedures for distributing the royalties;

(3) Preparing and implementing processing control, accounting and disbursing procedures for all monies received under these sections of the law;

(4) Preparing and implementing the regulations and procedures for carrying disputed claims to the Copyright Royalty Tribunal (a quasi-judicial body formed under Chapter 8 of S. 22 to settle disputes over royalty distribution).

Under this task we plan to contract with a qualified firm to perform the following work:

(1) To prepare a comprehensive plan for a system for collection and distribution of copyright royalties, including the development of regulations, procedures, and forms to support the system;

(2) To prepare a staffing and resources plan for an organization to support the system, including required qualifications and grade levels;

(3) Upon approval of the system and organization plans by the Copyright Office management, to assist in the first phases of implementing the plan.

Salaries and Expenses, National Commission on New Technological Uses of Copyrighted Works

	Permanent Positions	Amount
New Budget Authority, 1975	--	$ ----
Budget Estimates, 1976	--	$337,000
Reductions by House	--	-337,000
Allowed by House	--	----
Appeal to Senate	--	+337,000
Revised 1976 Estimate	--	$337,000

	1976 Increases Requested	House Allowance	Senate Appeal
1. New positions (indef) requested ...	$244,800	$ ----	$244,800
2. Travel	21,900	----	21,900
3. Rent, etc.	20,000	----	20,000
4. Printing and reproduction	19,500	----	19,500
5. Other services	28,800	----	28,800
6. Supplies and materials	1,000	----	1,000
7. Books and library materials	1,000	----	1,000
Total	$337,000	$ ----	$337,000

The House deferred action on the requested appropriation of $337,000 until such time as members of the Commission have been appointed and a program has been developed. In effect, the House did not deny our request on behalf of the Commission, it merely deferred consideration of it. We request that the Senate consider and approve the request for $337,000 for first year funding of the Commission.

Deferral will result in delay of timely implementation of P.L. 93-573 which established the Commission, and make it impossible for the Commission to meet statutory reporting requirements of the Law. The Commission is required to submit a preliminary report of its activities to the President within one year of its first meeting, it must submit a final report not later than December 31, 1977. Without any funds to support the Commission, it could not meet to begin its work, to pay the $100.00 per day fees of the members, pay their travel expenses, or begin to hire a professional staff to carry out its statutory functions.

Salaries and Expenses, Congressional Research Service:

	Permanent Positions	Amount
New Budget Authority, 1975	703	$13,722,000
Budget Estimates, 1976	860	$17,810,000
Reductions by House	-107	- 1,673,300
Allowed by House	753	$16,136,700
Appeal to Senate	+107	+ 1,673,300
Revised 1976 Estimate	860	$17,810,000

	1976 Increases Requested		House Allowance		Senate Appeal	
1. Ingrades and reallocations		$ 228,040		$ 228,040		$ ----
2. One day extra		71,700		71,700		----
3. Ann. of 85 new pos. (1975)		330,788		330,788		----
4. Ann. of pay raises		213,000		213,000		----
5. Personnel Benefits		107,284		107,284		----
6. New positions:						
Pol. Anal & Research	(110)	1,639,641	(28)	475,473	(82)	1,164,168
Doc & Status of Legis ...	(4)	32,995	(-)	----	(4)	32,995
Info & Ref Services	(24)	205,067	(7)	58,548	(17)	146,519
Admin	(5)	46,809	(1)	10,498	(4)	36,311
Total	(143)	1,924,512	(36)	544,519	(107)	1,379,993
7. New positions (Bill Abs) .	(14)	168,560	(14)	168,560	(-)	----
8. Special and Temporary		200,000		200,000		----
9. Travel:						
Regular		10,650		6,463		4,187
Attendance at Meetings ..		13,400		5,595		7,805
Local		66		66		----
		24,116		12,124		11,992
10. Rent, etc.:						
Long Distance Telephone .		25,000		25,000		----
Rental of Equipment		280,000		230,000		50,000
		305,000		255,000		50,000
11. Printing and Reproduction		35,000		35,000		----
12. Other Services:						
Other Serv Misc		291,000		151,000		140,000
Training		20,000		10,000		10,000
Prof & Cons Services		149,000		74,500		74,500
		460,000		235,500		224,500
13. Supplies		20,000		13,185		6,815
Total	(157)	$4,088,000	(50)	$2,414,700	(107)	$1,673,300

The Library requested an appropriation of $17,810,000 for the Congressional Research Service in fiscal 1976, and the House allowed $16,136,700, a reduction of $1,673,300. The Library requests that the Senate restore the full amount of the reduction.

The House Appropriations Committee allowed only 50 of the 157 positions requested by the Congressional Research Service. Included within that 50 were the 14 positions previously established on a temporary basis for the abstracting of bills as required by H. Res. 988, 93d Cong. The net effect is that only 36 positions were allowed (1) for completion of the 5-year program mandated by the 1970 Legislative Reorganization Act for strengthening of CRS's resources, and (2) to meet the sharp increase in workload, which has accelerated even further during the current fiscal year. The Service earnestly requests that the 107 positions that the House deleted (amounting to $1,379,993) be restored by the Senate. The Service also requests that the Senate restore the $293,307 deleted from non-personal services funds.

In its four program activities (and apart from the 14 positions noted), the Service requested 110 positions for Policy Analysis and Research, 4 for Documentation and Status of Legislation, 24 for Information and Reference Services, and 5 for Administration. The House action permits 28, 0, 7, and 1, respectively.

The positions that were requested for Policy Analysis and Research, but which were disallowed, are needed to permit the Service to accomplish its highest priority work -- the fifth and final phase of its implementation program under the Reorganization Act. The positions are needed to provide analytical research assistance to those committees and subcommittees not not now being served but desiring assistance, and additional assistance where only limited help, substantially below that desired, is now being provided. The positions are needed to permit the Service to broaden and strengthen its subject coverage in fields where Congress' sustained involvement requires specialized knowledge and expertise. They are needed to enable the Service to respond to the increasing number of requests received from committees for work that can be performed effectively only by multidisciplinary teams of specialists. The positions requested for Information and Reference Services are needed to avoid the huge backlog in informational and factual inquiries which is now commonplace in the Service, and to provide adequate messenger services to, from, and within the Congressional office buildings. They are

needed to handle the increased workload in acquisition, maintenance and retrieval of public documents and related material which are essential to support our work for the Congress.

In his opening statement at the budget hearing, the Director of the Service referred to the substantial increase in workload during the past year: total inquiries -- over 202,000, the highest in CRS history, up 12% over the prior year; committee inquiries -- some 27,000, up 26% over the prior year; inquiries requiring more than two weeks of direct research time -- 500, up 21% over the year before; information and reference requests from Members and committees -- 81,562, those from Members up 16%, those from committees up 40% over the year before. And despite these unprecedented totals, the volume of requests during fiscal 1975 has been even higher. It is to meet this very substantial increase in workload, and at the same time to complete the 5-year implementation program that we ask the Senate to restore the positions that the House deleted from our request. Without them, backlogs, curtailment of service to Members and committees, or dilution of quality of product will be difficult to avoid.

The House report accompanying the Legislative Branch Appropriation Bill indicated two reasons for not approving the total number of positions requested by the Service: first, the Committee's belief that it is not possible to recruit competent employees at the rate requested, and second, concern that there will be an overlapping of responsibilities and effort by OTA, GAO, and CRS.

But experience during the first four years of our Reorganization Act implementation program demonstrates that the Service has in fact been able to recruit its full complement of staff each year. And the current job market almost certainly assures successful recruitment of additional well qualified social science and other analytical talent in the amounts requested for fiscal 1976.

The Service's increased work is not contributing to an overlapping situation with other Congressional staff agencies' activities. Our budget request is directed toward implementation of the Reorganization Act which vests in the Service the responsibility of providing the Congress with

analytical, research and reference assistance in support of its legislative, oversight and representative functions. The Service was expressly directed to provide "massive aid" to the committees for policy analysis, appraisal, and evaluation of legislative proposals and to assist them with advance planning. The Service was directed to cooperate with GAO, which it has done, and, in the statute establishing OTA, to support that new Office as it would any committee of Congress, which it has done, too. The Service has not engaged in independent fields of endeavor, but has always rigidly adhered to its exclusive mission which i service to the Congress. When the 1970 Reorganization Act was enacted, its draftsmen contemplated a workload that would require at least a tripling of the CRS staff. The workload is now at hand. It is workload distinct from that which either GAO or OTA are geared to handle. Restoring all of the positions the House disallowed this year would still leave the Service well below the staff that the draftsmen contemplated.

With regard to funds for non-personal services: the House Committee disallowed $50,000 of the amount requested for rental of equipment. Restoration of this sum will enable the Service to obtain photoduplication machines needed to meet the demands, among others, for photocopying of materials cited in various of the CRS automated data bases (e.g., its SDI -- Selective Dissemination of Information -- or current awareness data base) which are anticipated as a result of installing computer terminals in offices of Members of the Senate. Restoration of the $140,000 which was deleted from our request for funds for "Other Services Miscellaneous" will permit the Service to subscribe to additional outside computerized data bases to provide more comprehensive and efficient support of our analytical work for Members and committees. The Committee disallowed $74,500 from our request for funds for Professional and Consultant Services. This limits the extent to which we can contract with outside experts or organizations for special services, studies, or projects which the Service is not in a position to undertake but which committees need for legislative purposes. Finally, the Committee disallowed $10,000 of the funds CRS requested for training, $6,815 for supplies, and $11,992 for travel. These sums relate to staff development, increased staffing,

and consequent benefits to the legislative function, and restoration is respectfully requested.

	Permanent Positions	Amount
New Budget Authority, 1975	555	$10,780,000
Budget Estimates, 1976	498	$11,387,000
Reductions by House	--	-102,000
Allowed by House	498	$11,285,000

	1976 Increases Requested	House Allowance
Decreases:		
1. Salaries & Benefits	(-57) $ -645,836	(-57) $ -645,836
2. Rental of Equipment	-116,000	-116,000
3. Equipment (non-rec)	-25,000	-25,000
4. Contingency Fund	-200,000	-200,000
	(-57) $ -986,836	(-57) $ -986,836
Increases:		
1. Ingrades & reallocations	$ 105,524	$ 105,524
2. One day extra	21,812	21,812
3. Ann. of pay raises	151,000	151,000
4. Personnel benefits	11,524	11,524
5. Travel:		
Regular	2,176	616
Att at Meetings	800	360
	2,976	976
6. Postage	180,000	80,000
7. Printing & reproduction .	956,000	956,000
8. Other services	95,000	95,000
9. Equipment (non-rec)	70,000	70,000
	$1,593,836	$1,491,836
Net increase	(-57) $ 607,000	(-57) $ 505,000

Books for the General Collections:

	Amount
New Budget Authority, 1975	$1,458,000
Budget Estimates, 1976	$1,695,000
Allowed by House	$1,695,000

	1976 Increases Requested	House Allowance
1. Maintain present level of acquisitions	$137,000	$137,000
2. Sixth of ten installments of Whitman Papers	100,000	100,000
Total	$237,000	$237,000

Books for the Law Library:

	Amount
New Budget Authority, 1975	$229,000
Budget Estimates, 1976	$251,000
Allowed by House	$251,000

	Increases Requested	House Allowance
1. Price increases	$22,000	$22,000

Books for the Blind & Physically Handicapped

	Permanent Positions	Amount
New Budget Authority, 1975	105	$11,416,900
Budget Estimates, 1976	109	$15,941,000
Reductions by House	--	-128,000
Allowed by House	109	$15,813,000
Appeal to Senate	--	+128,000
Revised 1976 Estimates	109	$15,941,000

	1976 Increases Requested	House Allowance	Senate Appeal
1. Ingrades and reallocations	$ 22,500	$ 22,500	$ ----
2. One day extra	6,242	6,242	----
3. Ann. of 6 positions (1975)	23,119	23,119	----
4. Ann. of pay raises	77,000	77,000	----
5. Personnel benefits	7,505	7,505	----
6. New positions requested ..	(4) 30,989	(4) 30,989	(-) ----
7. Travel:			
Regular Travel	26,370	18,116	8,254
Att at Meetings	1,575	829	746
	27,945	18,945	9,000
8. Other services:			
Multi-State Centers	50,000	25,000	25,000
Natl Bibliographic Serv	87,000	43,500	43,500
Training	2,500	1,000	1,500
Research & development .	98,000	49,000	49,000
	237,500	118,500	119,000
9. Supplies and materials ...	38,500	38,500	----
10. Books in raised characters	332,000	332,000	----
11. Sound reproductions	1,066,800	1,066,800	----
12. Replacement of machines ..	2,624,000	2,624,000	----
13. Books - music	30,000	30,000	----
Total	(4) $4,524,100	(4) $4,396,100	(-) $ 128,000

For the appropriation Books for the Blind and Physically Handicapped, it is requested that the $119,000 reduction in the category "Other Services" be restored. Full funding of the Multi-State Centers is essential to provide service of the caliber needed by the nation's blind and physically handicapped users, especially for those for whom braille is their only source of reading. Effective service to readers requires rapid communication between network libraries and their Multi-State Center as well as between the center and the Library of Congress. A reduction of $25,000 in funding for this item will result in reader frustration and cause potential delays to serious students seeking services.

The $87,000 increase requested in fiscal year 1976 for the National Bibliographic Service represents the third and final increase needed to develop the automated system providing access throughout the nation to braille and recorded material. The House allowed $43,500. Without the full amount the work would be delayed. The $1,500 decrease in training funds will curtail necessary job-related training for clerical and professional staff involved with implementation of division-wide automation activities.

Only with the requested restoration of $49,000 in research and development funds can the Library support promising technological improvements in braille production methods that could and should result in providing better-quality, more cost-effective braille reading materials. Adequate funding is also essential for an intensive investigation of the special needs of the five million clearly eligible handicapped persons who do not even know of the library program for blind and physically handicapped persons.

We are also asking that the reduction by the House of $9,000 for travel be restored.

Collection and Distribution of Library Materials
(Special Foreign Currency Program):

	Permanent Positions	Amount
New Budget Authority, 1975	9	$2,014,100
Budget Estimates, 1976	9	$2,014,100
Allowed by House	9	$2,014,100

	1976 Increases Requested	House Allowance
Decrease:		
1. Books & library materials	- $15,225	- $15,225
Increase:		
1. Regular travel	+ $15,225	+ $15,225
Net increase	----	----

New Budget Authority, 1975	$3,319,000
Budget Estimates, 1976	$4,930,000
Reappropriation	20,000
Reductions by House	-893,500
Allowed by House	$4,036,500
Reappropriation	20,000
Appeal to the Senate	+116,500
Revised 1976 Estimates	$4,153,000
Reappropriation	20,000
	$4,173,000

F&F Regular:	1976 Increases Requested	House Allowance	Senate Appeal
Decreases:			
1. F&F-CRS	- $ 35,000	- $ 35,000	$ ----
2. Typewriters - CRS	- 10,000	- 10,000	----
3. Non-recurring furniture	- 266,000	- 266,000	----
	- $ 311,000	- $ 311,000	$ ----
Increases:			
1. Price & related increases:			
Repairs	+ $ 24,000	+ $ 24,000	$ ----
Typewriters	+ 17,000	+ 1,450	+ 15,550
Furniture - annual	+ 22,000	- 15,600	+ 37,600
	63,000	9,850	53,150
2. CRS expansion:			
New positions - furniture	+ 72,000	+ 22,950	+ 49,050
New positions - typewriters	+ 21,000	+ 6,700	+ 14,300
Replace - furniture	+ 9,000	+ 9,000	----
Replace - typewriters	+ 64,000	+ 64,000	----
Total, CRS expansion	166,000	102,650	63,350
3. Non-recurring equipment	+ 506,000	+ 506,000	----
	+ $ 735,000	+ $ 618,500	+ $ 116,500
Net, F&F Regular	+ $ 424,000	+ $ 307,500	+ $ 116,500
F&F Madison Building:			
Decreases:			
1. Card catalogs	- $2,000,000	- $2,000,000	$ ----
Carpeting and area rugs	- 386,000	- 386,000	----
Interior partitions	- 160,000	- 160,000	----
	- $2,546,000	- $2,546,000	$ ----
Increases:			
1. Furnishings:			
Reading room furniture	+ $ 390,000	+ $ 390,000	$ ----
Cafeteria & snack bar	+ 150,000	+ 150,000	----
Conference & meeting room	+ 136,000	+ 136,000	----
Special purpose f & e	+ 2,963,000	+ 2,186,000	----
	+ 3,639,000	+ 2,862,000	----
2. Other program requirements:			
Ann. of pay raises	+ 7,000	+ 7,000	----
Additional temporary staff	+ 31,640	+ 31,640	----
Additional consultants	+ 52,760	+ 52,760	----
Personnel benefits	+ 2,600	+ 2,600	----
	+ $ 94,000	+ 94,000	----
	+ $3,733,000	+ $2,956,000	----
Net, F&F Madison Bldg	+ $1,187,000	+ $ 410,000	----
Total increase F&F	+ $1,611,000	+ $ 717,500	+ $ 116,500
Reappropriation F&F Regular	$20,000	$20,000	----

The Library requested an appropriation of $4,930,000 plus a reappropriation of $20,000. The House allowed $4,036,500 for the regular bill, and the $20,000 reappropriation, thereby reducing the 1976 Estimates by $893,500. Included in the reduction were two items: $777,000 for special purpose equipment for the Madison Building and $116,500 for office furniture and typewriters needed for additional staff not allowed by the House.

The Library appeals the reduction of $116,500 and asks that it be restored along with the new positions. The Library has offered to withdraw the request of $777,000 for special purpose equipment in the fiscal 1976 Budget.

Salaries and Expenses, Revision of Annotated Constitution:

	Permanent Positions	Amount
New Budget Authority, 1975	4	$34,000
Budget Estimates, 1976	4	$34,000
Allowed by House	4	$34,000

LETTER FROM ELMER B. STAATS

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

May 20, 1975

Dear Mr. Chairman:

I am writing to convey my serious concern about the reduction made by the House Appropriations Committee in GAO's request for FY 1976. Congressional actions in the last session alone will require a very substantial increase in workload on the GAO and will add greatly to staffing requirements in fiscal year 1976 in excess of our original request. A reduction of this magnitude, in my opinion, would jeopardize our ability to carry out our responsibilities in an effective manner.

Of particular concern to me is the ability of this Office to extend our audit coverage to the new and expanded programs which have been enacted by the Congress. Every new program, and every expansion of an existing program, automatically increases GAO's workload. While we always try to be selective in our audit work and focus on areas which will yield the greatest returns, we must nevertheless conduct a reasonable amount of work with respect to every newly established program, and we must necessarily expand our work as programs are increased by Congress.

We have a current backlog of work to be completed of more than 1,200 assignments, requiring over 875 staff-years to complete. My request for an increase of 260 staff-years for 1976 (exclusive of the transportation rate audit function which will be transferred to GSA) represented a major reduction in the requests which were submitted to me by our division and office directors who are responsible for carrying on necessary work in their assigned areas of responsibility. I am enclosing a list of congressional actions taken since our current appropriation was acted upon, having a major impact on GAO's workload in fiscal years 1975 and 1976, most of which will continue for the indefinite future.

I am also listing several legislative proposals now pending in the Congress which, if enacted, would add substantially to our workload and for which we have made no provision in our appropriation request. I call your attention particularly to the Consumer Advocacy Agency bill, which passed the Senate on May 15, imposing three new requirements on the GAO.

The Congress in recent years has expressed growing interest in GAO's placing greater emphasis on evaluating the effectiveness or results of Federal programs. This has been expressed not only by individual committees and members, but also very explicitly in the Legislative Reorganization Act of 1970 and the Congressional Budget and Impoundment Control Act of 1974. We agree with this emphasis and we concur in the need for greater attention to the evaluation of Federal programs generally. Currently, such evaluations represent over one-third of GAO's staff workload. It should be emphasized that evaluations of this type are generally more complex, require more staff time, and increasingly involve the use of consultants--all of which add to their cost.

As you know, we are required by law to respond to requests for direct assistance from committees of the Congress and, in addition, to the extent of our ability, we provide assistance to individual Members of Congress, particularly in reviewing Federal programs which have a particular impact in a given State or congressional district. The portion of GAO's workload

represented by requests for congressional assistance has increased sharply in recent years to the point where it now represents over 35 percent of our total effort. Most of this work is in response to requests from committee chairmen. We have placed high priority in fulfilling these requests and hope that we can continue to do so, even though it means in many cases that we are reprogramming staff from high priority self-initiated audit work for ongoing programs to provide this assistance.

I am, therefore, requesting, as set forth in Attachment III to this letter, that you approve restoration of the 130 staff-years reduction made by the House and the sum of $2,355,300 to finance this staff, including salaries, fringe benefits, travel, and other support costs.

Questions have been raised in the Congress with respect to additional staff requested by various entities in the Legislative Branch in support of the Legislative Budget Committees and the Congressional Budget Office. In light of these questions, if it is your judgment that some reduction should be made in our request pending clarification of these matters, I would then suggest that we defer any further staff growth in GAO in support of these activities at this time. These deferrals would reduce our original request by 39 staff-years as follows:

	Additional Staff-Years Requested in FY 1976
Title I--to support the House and Senate Budget Committees	9
Title II--to support the Congressional Budget Office	9
Title VIII--to expand GAO support of congressional information requirements	19
Title X--to support the congressional budget impoundment process	2
TOTAL	39

The GAO has been able to demonstrate year after year its ability to make savings far in excess of its own appropriation--aside from other improvements in Federal operations which cannot be translated into specific dollar savings. Limiting our ability to provide the necessary oversight and reviews of these programs would not, in my opinion, be in the best interest of the Government or in line with our mutual objective of reducing spending wherever practicable.

The continuous addition of responsibilities placed upon this Office, and the prospect that this trend will continue, lead me to believe that our 1976 staffing request was a most modest one. Congress relies heavily upon this Office for the oversight of Federal programs. It is my objective to carry out that responsibility in any event, but I strongly believe we can do a better job for the Congress with our full request.

Sincerely,

Comptroller General
of the United States

ATTACHMENT I

Congressional Actions Affecting GAO Workload
in Fiscal Years 1975 and 1976

The following major legislative enactments in the 1974 session (fiscal year 1975) of the Congress will substantially increase GAO workload in fiscal year 1976:

1. The Energy Reorganization Act of 1974 requires GAO to evaluate the effectiveness of licensing and related regulatory activities of the newly established Nuclear Regulatory Commission, and the operations of the Office of Nuclear Safety Research and the Bureau of Nuclear Materials Security. A report to the Congress is required within five years. This and other work related to the Act's establishment of the Energy Research and Development Administration will significantly affect our work and our need for resources for some time to come.

2. The International Air Transportation Fair Competitive Practices Act of 1974 directs the Comptroller General to disallow any expenditures from appropriated funds for payment of personnel or cargo transportation on a foreign air carrier in the absence of satisfactory proof of necessity. This Act, in addition to its obvious requirement for the use of GAO resources, will present some rather complex problems which we will need to resolve.

3. The Trade Act of 1974 requires the Comptroller General to study adjustment assistance programs established by the Act and to report to the Congress on the results of the study by January 31, 1980. This requirement and other provisions which call for greater congressional participation in trade matters--both in the approval and the administration of trade agreements--will, we believe, significantly affect our workload.

4. The Small Business Amendments of 1974 require GAO to conduct a full-scale audit of the Small Business Administration including its field offices. This will constitute a major workload for our General Government Division in FY 1975 and part of FY 1976.

5. Senate Report 93-1033 on Russian Grain Transactions recommends that the Comptroller General review in detail the export reporting system recently placed into operation to determine the outstanding export sales commitments of commodities in relation to existing stocks.

6. The Amtrak Improvement Act of 1974 makes GAO responsible for conducting an annual management audit of Amtrak's operations. The House Committee on Interstate and Foreign Commerce has been asked by the House Committee on Rules to determine the amount of Federal funds that will probably be required before Amtrak is economically viable. We have been informed that we will be asked to accomplish that study.

7. House Report 93-1120 directs the Federal Trade Commission and GAO to work together to resolve data reliability problems concerning FTC's line-of-business program which we had previously identified.

8. The D. C. Home Rule Bill requires GAO to make annual audits in connection with the District of Columbia's authority to borrow funds in the open market rather than, as in the past, from the U.S. Treasury. We are also required to continue our ongoing examination of the operations of the D. C. Government.

9. Legislation establishing a Commission on Federal Paperwork on which the Comptroller General is made a statutory member, will undoubtedly require considerable effort within the GAO because of its responsibilities under the Alaska Pipeline Act (review of requests for information by the regulatory agencies) and because of the extensive work which GAO has previously done in this area.

10. Establishment of the National Commission on Electronic Funds Transfer, on which the Comptroller General is made a statutory member, will undoubtedly involve additional work, particularly for the staff concerned with computer technology and automated data systems.

11. Title IV of the Employee Retirement Income Security Act of 1974 established the Pension Benefit Guaranty Corporation, a nonprofit corporation, to guarantee certain levels of pension benefits to employees covered by most defined benefit pension plans.

    GAO's audit responsibility, as prescribed by section 105 of the Government Corporation Control Act, requires a financial audit of the corporation at least once every 3 years. In addition, we forsee a substantial audit effort by us with regard to the implementation of the program.

12. The Regional Rail Reorganization Act of 1973 created the Consolidated Rail Corporation, a for-profit nongovernment corporation, to operate the reorganized railroad which is subject to the Government Corporation Control Act so long as 50 percent of its outstanding indebtedness consists of obligations of the U.S. Government. It is expected that seven bankrupted railroads will make up the Corporation and that our audit of the Corporation's financial statements will require in excess of 5,000 man-days.

In addition, the following legislation establishing new or expanded significant Federal programs represent substantial additional work for the GAO:

--The Solar Energy Research and Development Act of 1974

--The Housing and Community Development Act of 1974

--The Emergency Job and Unemployment Assistance Act of 1974

13. The General Accounting Office Act of 1974 gives GAO the authority to audit nonappropriated fund activities. Our best estimate is that up to 25 staff-years could be productively applied to this work.

ATTACHMENT II

Pending Legislation Which Would Add to GAO's Workload

Several legislative proposals now pending in the Congress, if enacted, would add substantially to the workload of the GAO. These include:

1. The Consumer Advocacy Act, which recently passed the Senate, would require the Comptroller General

--to make a complete evaluation of the agency after a period of 3 years,

--to review all cost and benefit assessment statements before release by any agency to the public, evaluating the cost of compliance with the proposed rule "including any manufacturers' costs and consumers' costs reflected in the price of any product affected by such rule," and report to the House and Senate any differences which he may have with respect to the accuracy, completeness and justification of these statements.

--to review all requests for information from the public under the Act to assure that it "does not impose an undue burden upon persons receiving such request" and negotiate with the agency to make "every reasonable effort to modify such request so as to alleviate such burden prior to the issuance of such request."

--to monitor and evaluate implementation of the requirements for making cost and benefit assessment statements.

2. A subcommittee of the House Banking and Currency Committee has approved a bill which would require the GAO to audit the Federal Reserve System.

3. Legislation introduced in the House designed to regulate lobbying activities would transfer from the Clerk of the House and the Secretary of the Senate to the Comptroller General the responsibility for compiling, summarizing, publishing, and making available for public inspection reports filed by lobbyists on their activities. The Comptroller General would also develop and publish implementing regulations, and participate in enforcement of the registration and reporting requirements. Similar legislation introduced in the Senate would have the Federal Election Commission administer these activities. Hearings have been held in the Senate, but the cognizant committee has not decided which agency should administer the provisions of the bill.

4. A large number of bills have been introduced in the Congress which would place on the GAO responsibility for prescribing financial disclosure statements for Government employees, making such information available to the public, and to conduct such audits as necessary to assure the accuracy of these reports. While these bills have not been approved at any level in the Congress to date, the large number of such measures could well result in legislation on the subject of financial disclosure requirements in fiscal year 1976.

5. The House Committee on House Administration and the Senate Committee on Post Office and Civil Service have completed hearings on legislation to establish a system of postcard voter registration. The House legislation would create a postcard voter registration administration within the GAO, while the Senate legislation would place this responsibility in the Bureau of the Census. Although the GAO has objected to this responsibility, there is no assurance that our views will be accepted. Substantial resources will be required to do this job.

Other pending legislation in the areas of land use, resource conservation and energy areas which will impact substantially upon GAO if enacted include S. 7, Surface Mining Control and Reclamation Act of 1975; H.R. 3510, Land Use and Resource Conservation Act of 1975; S. 426; Outer Continental Shelf Lands Amendments of 1975, where GAO is required to check on Interior report on shut-in gas wells; and S. 521, Energy Supply Act of 1975, which requires GAO to annually audit off-shore oil pollution settlement fund.

ATTACHMENT III

U.S. GENERAL ACCOUNTING OFFICE
SALARIES AND EXPENSES

Application of House Reduction of 130 Staff-years and Request for Restoration

	Staff-years	Amount
New Budget Authority, 1975	5,230	$124,189,000 1/
Budget Estimates, 1976	5,456	139,540,000
Reductions by House	-130	-2,975,000
Allowed in House Bill	5,326	136,565,000
Appeal to Senate	+130	+2,355,000
Revised 1976	5,456	$138,920,000

1/ Includes supplemental as marked by the House and Senate Committees.

	FY 1976 Increases Requested			House Allowance 1/			Restoration Request	
	For Present Staff	For Increased Staff		For Present Staff	For Increased Staff		For Increased Staff	
	Dollars	Staff-years	Dollars	Dollars	Staff-years	Dollars	Staff-years	Dollars
Office of Comptroller General	$ 5,000	-	$ -	$ 5,000	-	$ -	-	$ -
Special Staff Services	9,700	-	-	9,700	-	-	-	-
Office of General Counsel	244,400	+ 5	92,200	244,400	3	55,500	2	36,900
ACG, Policy & Program Planning	66,800	+ 3	50,500	66,800	2	33,700	1	16,800
ACG, Special Programs	11,600	+ 1	16,800	11,600	-1 2/	(16,800)	2	33,600
Office of Program Analysis	139,600	+ 37	574,300	139,600	9 2/	138,700	28	435,600
Office of Special Programs	44,800	+ 13	210,700	44,800	8	129,700	5	81,000
Office of Federal Elections	(70,000)	- 14	(195,300)	(70,000)	-14	(195,300)	-	-
Federal Personnel & Compensation Div.	22,400	+ 11	160,900	22,400	7	102,400	4	58,500
Financial & General Mgmt. Studies Div.	376,000	+ 34	556,000	376,000	15 2/	245,300	19	310,700
Joint Financial Mgmt. Imprmt. Prog.	20,800	-	-	20,800	-	-	-	-
General Government Div.	196,400	+ 12	185,800	196,400	8	123,900	4	61,900
International Division	459,200	+ 3	2,100	459,200	2	(6,400)	1	8,500
Logistics & Communications Division	156,300	+ 4	67,300	156,300	3	50,500	1	16,800
Manpower & Welfare Division	182,200	+ 24	355,500	182,200	14	207,400	10	148,100
Procurement & Systems Acquisition Div.	292,500	+ 1	8,800	292,500	1	8,800	-	-
Resources & Economic Development Div.	279,100	+ 8	126,600	279,100	5	79,100	3	47,500
Transportation & Claims Div.	171,800	- 10	(87,700)	171,800	-10	(87,700)	-	-
Field Operations Division	1,703,600	+ 94	1,356,100	1,703,600	56	825,000	38	531,100
ACG, Management Services	232,000	+ 34	338,400	232,000	22	219,000	12	119,400
Subtotal	4,544,200	+260	3,819,000	4,544,200	130	1,912,600	130	1,906,400
TCD Transfer	647,300	- 34	(487,500)	647,300	-34	(487,500)	-	-
Subtotal	5,191,500	+226	3,331,500	5,191,500	96	1,425,100	130	1,906,400
Personnel Benefits	631,900		+303,100	631,900		129,400		173,700
Contractual Services & Supplies								
Travel and Transportation of Persons	963,600		458,400	963,600		229,200		229,200
Transportation of Things	61,000		29,000	61,000		14,500		14,500
Rent, Communications & Utilities	1,333,600		331,400	747,900		298,300		-
Printing and Reproduction	130,000		-	130,000		-		-
Other Services	779,000		-	779,000		-		-
Supplies and Materials	44,000		31,000	44,000		15,500		15,500
Equipment	-		52,000	-		16,000		16,000
Subtotal	3,843,100		1,184,900	3,356,500		702,900		448,900
Transfer to GSA								
Rental of space	-		-	-		-		-
Transportation Audit Functions	700,000		-	700,000		-		-
Total	$9,834,600		$4,516,400	$8,248,000		$2,128,000		$2,355,500

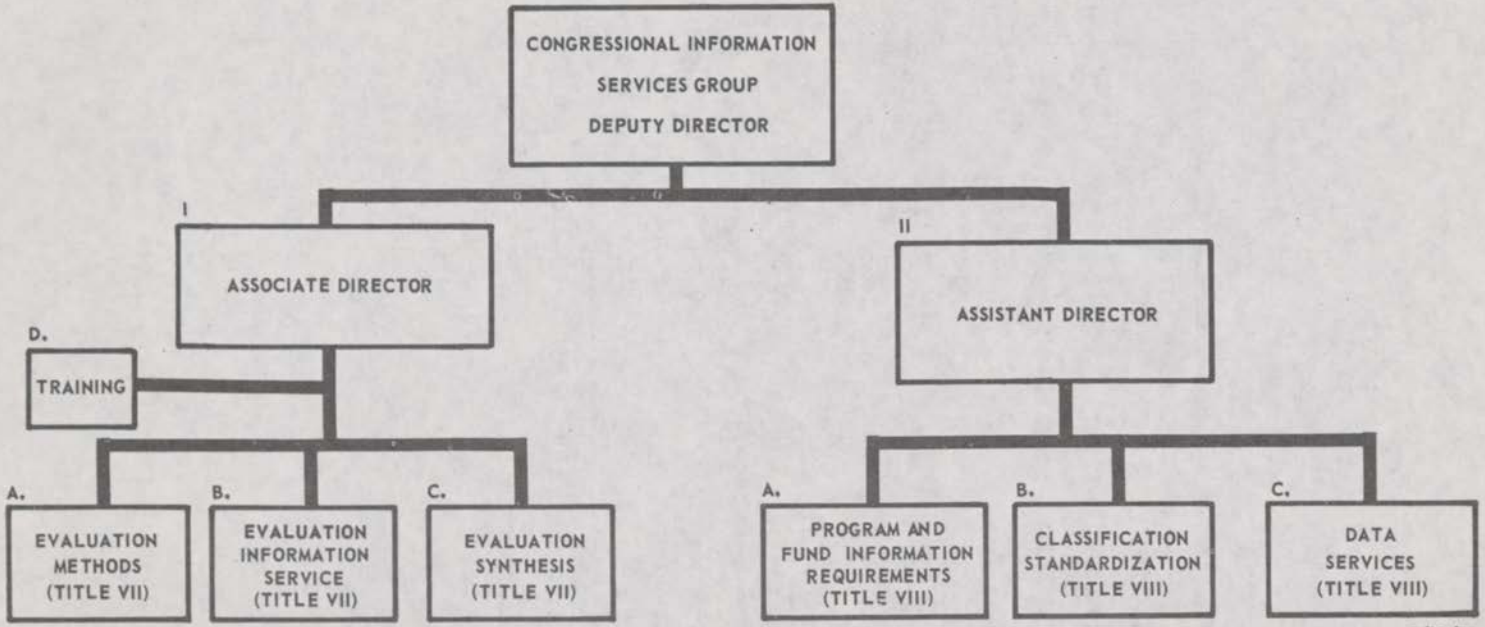
1/ The Staff-years and Dollars shown by division represent the Comptroller General's application of an overall House reduction of 130 staff-years and $2,975,000 to each division.

2/ Application of the House reduction as shown would defer staff-year growth requested in support of Titles I, II, VIII, and X of Public Law 95-344. These total 39 staff-years located as follows:

2 in Office of ACG, Special Programs;
28 in the Office of Program Analysis; and
9 in Congressional Information Services Group (FGMS).

ORGANIZATION PLAN

CONGRESSIONAL INFORMATION SERVICES GROUP



5/19/75

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ORGANIZATION AND STAFFING PLAN
CONGRESSIONAL INFORMATION SERVICES GROUP

Table of Organization	Staff-Years Budget				Positions at 6/30/75	
	FY 1975		FY 1976		Planned	Now Projected
	Staff-Years	Salaries	Staff-Years	Salaries		
Deputy Director	1	$ 36,000	1	$ 36,000	1	1
I. Title VII Sub-group						
Associate Director	1	36,000	1	36,000	1	1
Professional Staff:						
A. Evaluation Methods Section						
- Analysts	2	45,200	3	71,800	4	3
B. Evaluation Information Section						
- Auditors	8	180,600	11	263,300	11	10
C. Evaluation Synthesis Section						
- Synthesists	6	135,500	8	191,500	7	7
D. Systems Analysis Training Section						
- Systems Analysts	2	45,200	2	47,900	2	2
Subtotal Title VII	19	442,500	25	610,500	25	23
II. Title VIII Sub-group						
Assistant Director	1	31,800	1	32,800	1	1
Professional Staff:						
A. Program and Fund Information Requirements Sec.						
- Accountants	11	248,400	15	359,000	14	14
- Report Management Specialists	3	67,700	4	95,700	4	4
B. Classification Standardization Section						
- Classification Analysts	4	90,400	6	143,600	6	5
C. Data Services Section						
- Data Systems Specialists	4	90,400	6	143,600	7	5
- Computer Systems Analysts (Programmers)	3	67,700	3	71,800	4	3
- Information Specialists	3	67,700	4	95,700	5	4
Subtotal Title VIII	29	664,100	39	942,200	41	36
III. Support Personnel:						
-Secretarial & Clerical	7	67,400	11	104,100	11	9
-Consultants	3	92,400	3	92,400	-	-
Total Headquarters	59	1,302,400	79	1,785,200	78	69
IV. Regional Office Support	18	328,600	20	378,000	-	-
Grand Total	77	$1,631,000	99	$2,163,200	-	-
Distribution by Title						
Title VII	24	508,000	37	808,500	-	-
Title VIII	53	1,123,000	62	1,354,700	-	-

ATTACHMENT V
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OFFICE OF PROGRAM ANALYSIS
ORGANIZATION AND STAFFING PLAN

Organization Element	Staff-year Budget FY 1975 No.	FY 1975 Salary	FY 1976 No.	FY 1976 Salary	Positions as of 6/30/75 Planned	Now Projected
I. Office of Director						
Director & Deputy	1.6	$ 56,400	2.0	$ 71,700	2	2
II. Program Economics Branch						
Associate Director					1	1
Economist					7	7
Total	5.1	110,400	17.0	359,600	8	8
III. Program Analysis Branch						
Associate Director					1	1
Analysts					18	18
Total	10.1	205,300	29.0	597,800	19	19
IV. Support						
Secretarial/Clerical	4.2	42,900	10.0	99,800	7	8
Total	21.0	$415,000	58.0	$1,128,900	36	37
Distribution by Title						
Title I	5.0	$ 99,100	14.0	$ 271,800	-	-
Title II	5.0	99,100	14.0	271,800	-	-
Title III	5.0	99,100	14.0	271,800	-	-
Title IV	6.0	117,700	16.0	313,500	-	-

ATTACHMENT V

B. Support of the congressional program evaluation and information needs

Enactment of the Legislative Reorganization Act of 1970 and the Congressional Budget and Impoundment Control Act of 1974 gave GAO three major responsibilities to help the Congress strengthen its role.

1. Program Analysis. Supporting the Congress, its committees and other staff arms, we are expanding our capacity to conduct analysis and evaluation of major program issues. Guidance and assistance for this effort will be provided by our newly established Office of Program Analysis.

   The objective of OPA is to expand the analytical information provided by GAO to the Congress for use in its deliberations on major program issues. OPA has been assigned specific responsibility for identifying and analyzing major program alternatives. The analysis is intended to highlight the important implications of choices available to the Congress.

   OPA will particularly seek to provide the Congress with integrated analysis, timed to mesh with congressional decision processes, which incorporates information relevant to that process developed by GAO through its program audits. This will require OPA to maintain effective liaison with other elements of GAO, with the Congressional Budget Office, with the Congressional Research Service, the Joint Economic Committee, the Appropriations Committee, and authorizing committees.

   OPA will have two closely-related major lines of effort: (1) program economics and (2) program analysis.

   The program economics branch will focus on developing analysis of the impact of Federal programs on the economy and the impact of changing economic conditions on those programs--particularly in the light of information and findings developed in GAO audits and investigations.

   This branch will conduct certain types of analysis directly and will provide analytic support to the program analysis branch. The program economics branch will also provide advice and assistance to other elements of GAO in the conduct of audits and reviews.

   The program analysis branch will concentrate on the identification and analysis of major program issues, with the objective of highlighting choices available to the Congress with respect to those programs and the cost and program implications of those choices. This branch will conduct certain program analysis and evaluation studies directly, as well as suggesting issues for review by other elements of GAO when this will contribute to a more timely and valuable report on a matter of major significance. The branch will also provide advice and assistance to other elements of GAO in planning the timing and scope of their reviews so as to be of greatest usefulness to the Congress in its authorization, budget, appropriations and oversight functions.

   This branch will maintain liaison with other elements of GAO to assure that relevant information developed through regular program reviews and audits is incorporated in analyses of major program issues and systematically provided to the Congress when it is needed.

2. Congressional Information Needs. In fiscal year 1976 we will continue to increase our work in developing classification structures for reporting budgetary, fiscal, and program information to the Congress and assisting it to specify and meet its information needs.

   To date, on a cooperative basis, we have made significant strides in improving the appropriation classification structure of the Department of Housing and Urban Development and significant elements of the Department of Agriculture, the General Services Administration, the National Science Foundation, and the National Aeronautics and Space Administration.

   We have made meaningful starts in recommending changes to the Government-wide functional and subfunctional classification of outlays. We are also developing recommendations to improve the consistency and meaningfulness of certain revenue and receipt classifications.

   We are building and improving our capabilities and procedures to provide more effective information services to the Congress. For example, we are building a quick-response capability to locate and summarize fiscal budgetary information in response to congressional requests. This nonaudit information response will complement GAO's normal audit duties and will provide the Congress with the capability to readily obtain information from executive agencies within a short timeframe.

   We are developing ways in which data files in executive agencies can be accessed to meet recurring information requirements of the Congress. This approach--avoiding the establishment of our own large data files or those of the Congress--will maximize the use by the legislative branch of the vast data resources of executive agencies. Work on this approach will continue in cooperation with the agencies, with the Office of Management and Budget, and with the committees of Congress.

ATTACHMENT V

ASSISTANT COMPTROLLER GENERAL FOR SPECIAL PROGRAMS

FUNCTION	FY 1975 STAFF-YEARS	FY 1976 STAFF-YEARS	CHANGE
A. IMMEDIATE OFFICE OF ASSISTANT COMPTROLLER GENERAL	9	10	+ 1
B. OFFICE OF PROGRAM ANALYSIS	21	58	+37
C. OFFICE OF SPECIAL PROGRAMS	72[a]	95[a]	+23
D. OFFICE OF FEDERAL ELECTIONS	25[b]	-	-25
Total staff-years	127[a]	163[a]	+36
Positions at June 30	129	183	+54

[a]Includes Field staff-years as follows: 24 in FY 1975, and 34 in FY 1976. See page I-4.

[b] Includes 11 Field staff-years in fiscal year 1975.

SCOPE AND NATURE OF WORK PROGRAM

The Office of the Assistant Comptroller General for Special Programs is responsible for the activities of the Office of Special Programs, Office of Program Analysis, and Office of Federal Elections, each of which is discussed in this section.

The Assistant Comptroller General advises the Comptroller General as to the coordination, monitoring, and program development on a GAO-wide basis for work involving national issues dealing with energy and materials. He is also responsible for developing and coordinating GAO's efforts in carrying out the responsibilities assigned to this Office under the Congressional Budget and Impoundment Control Act of 1974. In this connection, he provides liaison with the Congressional Budget Office, the Department of the Treasury, and the Office of Management and Budget and with the appropriate committees of the Congress.

A. IMMEDIATE OFFICE OF ASSISTANT COMPTROLLER GENERAL FOR SPECIAL PROGRAMS

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	6	7	+1
	Other	3	3	-
	Consultant	(a)	(a)	-
	Total staff-years	9	10	+1
FIELD	Professional & technical	-	-	-
	Other	-	-	-
	Total staff-years	-	-	-
TOTAL	Staff-years	9	10	+1
	Positions at June 30	11	11	-

[a]To be provided by Management Services Reserve.

ATTACHMENT V

B. OFFICE OF PROGRAM ANALYSIS

		FY 1975	FY 1976	CHANGE
HEADQUARTERS	Professional & technical	16	47	+31
	Other	4	10	+6
	Consultant	1	1	-
	Total staff-years	21	58	+37
FIELD	Professional & technical	-	-	-
	Other	-	-	-
	Total staff-years	-	-	-
TOTAL	Staff-years	21	58	+37
	Positions at June 30	36	66	+30

SCOPE AND NATURE OF WORK PROGRAM

The Office of Program Analysis (OPA) was established by the Comptroller General on September 5, 1974, to serve as a focal point in GAO for providing analyses of program issues in support of congressional decision processes.

The objective of OPA is to expand the analytical information provided by GAO to the Congress for use in its deliberations on major issues. OPA has been assigned responsibility for identifying and analyzing major programs or program related activities using its own resources or in cooperation with other elements of GAO. The analysis is intended to highlight the important implications of choices available to the Congress with respect to its decisions on programs in carrying out its authorization, budget, appropriations and oversight functions.

OPA will particularly seek to provide the Congress with integrated analysis, timed to mesh with congressional decision processes, which incorporates information relevant to those processes developed by GAO through its program audits and from outside sources. This will require OPA to maintain effective liaison with other elements of GAO, with the Congressional Budget Office, with the Congressional Research Service, and with the appropriate committees of the Congress.

The following summary shows the planned application of Washington professional staff resources to the functions of OPA during fiscal years 1975 and 1976.

Area of responsibility	Staff-years FY 1975	FY 1976	Change
Program Economics Branch	5	16	+11
Program Analysis Branch	11	30	+19
Office of Director	1	2	+ 1
Total	17	48	+31

The proposed increases included annualization of staff employed for only part of fiscal year 1975 and the development in greater depth of staff capabilities with respect to its two, closely-related major lines of effort: (1) program analysis and (2) program economics.

The program economics branch will focus on developing analysis of the impact of Federal programs on the economy and the impact of changing economic conditions on those programs--particularly in the light of information and findings developed in GAO audits and investigations. This branch will conduct certain types of analysis directly and will provide analytic support to the program analysis branch. The program economics branch will also provide advice and assistance to other elements of GAO in the conduct of audits and reviews.

The program analysis branch will concentrate on the identification and analysis of major program issues, with the objective of highlighting choices available to the Congress with respect to those programs and the cost and program implications of those choices. This branch will conduct certain program analysis and evaluation studies directly, as well as suggesting issues for review by other elements of GAO when this will contribute to a more timely and valuable report on a matter of major significance. The branch will also provide advice and assistance to other elements of GAO in planning the timing and scope of their reviews so as to be of greatest usefulness to the Congress in its authorization, budget, appropriations and oversight functions. This branch will maintain liaison with other elements of GAO to assure that relevant information developed through regular program reviews and audits is incorporated in analyses of major program issues and systematically provided to the Congress when it is needed.

Initial work in fiscal year 1975 has emphasized developing the basic capability to carry out the mission of the office. This includes the recruitment of core staff, the acquisition of techniques and analytical tools appropriate to the function of the office, the development of a framework and methodology for identifying and analyzing major program issues and the establishment of liaison with other elements of GAO, congressional committees, other staff arms of the Congress, and Executive Branch agencies.

For the balance of fiscal year 1975 and in 1976, emphasis will be placed on broadening and deepening OPA's present capability so that GAO can be more effective in supporting the Congress in its exercise of authorization, budget, appropriation and oversight functions where this assistance is needed.

The functions assigned to OPA represent a further effort to mobilize the resources in GAO to carry out more effectively the program analysis responsibilities assigned to the Comptroller General by several statutes. These date back to Section 312(a) of the Budget and Accounting Act of 1921. They were reemphasized and made more explicit by the enactment of the Legislative Reorganization Act of 1970 and the Congressional Budget and Impoundment Control Act of 1974.

ATTACHMENT VI

JULY 1, 1974 - MAY 19, 1975
ANALYSIS OF THE SOURCES OF NEW STAFF
RECRUITED FOR CONGRESSIONAL INFORMATION SERVICES STAFF
AND THE OFFICE OF PROGRAM ANALYSIS

	CISS	OPA	TOTAL
Total Staff Recruited			
Professional	36	29	65
Other	3	8	11
Total	39	37	76
Sources of Professional Staff			
Outside Government	10	6	16
Other Federal Agencies	15	14	29
GAO Regional Offices	3	-	3
GAO Headquarters	8	9	17
Total	36	29	65
Sources of Support Staff			
Outside Government	1	2	3
Other Federal Agencies	-	2	2
GAO Headquarters	2	4	6
Total	3	8	11
Summary Professional & Support Staff			
Outside Government	11	8	19
Other Federal Agencies	15	16	31
GAO Regional Offices	3	-	3
GAO Headquarters	10	13	23*
Total	39	37	76

* Of those recruited from GAO Headquarters, the following were previously assigned to the Office of Federal Elections.

Professional	6	1	7
Support	-	2	2
Total	6	3	9

CONCLUSION OF HEARINGS

Senator HUDDLESTON. Mr. Ridgely, if you have nothing further, this will conclude the hearings of the subcommittee on the fiscal 1976 estimates for the legislative branch. However, the Chairman has directed that the record remain open for a few days so that the staff can insert any further communications that may arrive that should be part of our record.

Thank you very much, gentlemen.

[Whereupon, at 12:40 p.m., Firday, May 23, the hearings were concluded and the subcommittee was recessed, to reconvene at the call of the Chair.]

ALASKA AND HAWAII COST OF LIVING

[CLERK'S NOTE: The following letters were received subsequent to the hearing and have been inserted in the record at the direction of the Chairman.]

[The letters follow:]

United States Senate
COMMITTEE ON FINANCE
WASHINGTON, D.C. 20510

May 23, 1975

Honorable Ernest F. Hollings
Chairman, Subcommittee on
Legislative Appropriations
S-128 Capitol Building
Washington, D. C. 20510

Dear Mr. Chairman:

Discussions between my staff and that of your Legislative Appropriations Subcommittee indicates your sensitivity to a major problem I face in adequately paying personnel assigned to my Alaskan offices.

While the cost of living in my State is the highest in the nation, Alaska's population entitles me to the lowest allotment for staff hire. Alaska's population must increase by 1.6 million in order for my allocation to increase.

The following table taken from the Department of Labor shows the amount necessary to sustain a family of four in the Continental U.S., Honolulu, the second most costly city, and Anchorage.

	U.S.	Anchorage	Percent Difference	Honolulu	Percent Difference from Anchorage
Lower Income	9,198	13,667	49%	11,383	20%
Intermediate Income	14,333	19,092	33%	17,019	12%
High Income	20,777	26,595	28%	25,572	4%

The vastness of the State, its distances from major production centers, the extremities of climate and its short growing season all irrevocably contribute to the high cost living which translates into the following day by day realities.

Item	Cost in Anchorage
Bread, large loaf	$1.02
Milk, half gallon	1.29
Eggs, dozen	.79
Corn, fresh, 3 ears	1.00
Tomatoes, fresh per pound	.80

51-060 O - 75 - 47 (Pt. 2)

The U.S. Civil Service Commission has partially recognized the situation as it pays Government Employees working in Alaska 22% - 25% above standard salary levels.

The State of Alaska also pays its employees accordingly. For example, the Alaska governor's representative in Anchorage (a field office, since the capitol is in Juneau) is paid $28,500 compared to my chief staff person in Anchorage who makes $19,000 per year.

All other government pay scales, as well as those in the private sector, recognize the exorbitant cost-of-living requirements in Alaska and adjust their pay standards accordingly. The Senate does not. I am therefore constantly faced with the unenvyable choice of paying less than an average wage to my staff or taking a disproportunate amount of my total staff allotment for field staff salaries.

May I therefore respectfully request serious consideration by you and your committee for increasing the Alaskan Senate clerk hire allotment to a figure commensurate with the realities of the cost of living.

I have taken the liberty of attaching a copy of a letter from a valued member of my Anchorage staff to my Administrative Assistant which I think sheds additional light on this subject.

Thank you for your consideration.

Sincerely,

Mike Gravel

Mike Gravel

United States Senate

WASHINGTON, D.C. 20510

March 6, 1975

Dear Bob,

Next month (April 18th to be exact) I will have been employed by the Senator for two years. During those two years I feel I have been an asset to the Anchorage office. I began as office secretary and receptionist and worked into the position of case worker. Recently, my position was broadened to include cases sent to the Washington office by constituents. Public relations also is obviously a large part of my job which entails a lot of patience, smoothing down, listening and talking on my part.

The whole point of this tirade is this--I feel that I am underpaid. I'm not a person who likes to write ego-inflating letters and I certainly don't want the reputation of being a person who constantly hassles over

money. However, I do feel that in this office, in order to receive raises, there has to be a bit of that.

I am currently receiving $10,800 per year. In doing a bit of research on this, I was informed by the City of Anchorage Personnel Office that a person filling the position of Human Rights Investigator receives a salary of $1,427 per month for the first six months. This person is a field representative, responsible to an executive officer and his job description is similiar to what I am doing for the Senator. After six months he receives $1,498 per month for the next six months with a 5% increase in salary each year. At the end of the first year this person's salary would total $17,550.

The position of Youth Co-ordinator with the city demands a salary of $1,175 per month for the first three months. Then the salary goes to $1,233 per month with a 5% raise each year. This position totals $14,619 for the first year and it is two steps below (scale wise) the investigator position.

In view of this and in view of the fact that the cost of living is increasing every day, I don't feel that a salary of $16,000 is an outrageous request. Bob, I have a college degree and two years of experience under my belt. The required qualifications for the investigator job is a high school or GED diploma and one year experience in the field!!

I first discussed this matter with Tyler. He suggested that I confront you with my feelings, though I believe that he is in agreement with my views. I hope you will give this matter some serious consideration. I also hope you will not construe this letter to mean that I am not satisfied with my job--I am. However, I feel that I'm doing a good job and should be compensated accordingly.

Sincerely,

Nancy

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